

Land at Bar Hill

Market Assessment

Date of report: January 2026

PREPARED FOR

**LOLWORTH
DEVELOPMENTS
LTD**

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Executive Summary

Introduction

Savills is instructed by Lolworth Developments Limited, a subsidiary of Salhia Real Estate to advise on the market need for proposals for strategic employment development at J25 Bar Hill, Greater Cambridge (the Subject Site).

The Subject Site forms the primary part of the proposed site allocation 'Policy S/SHF: Land north of A1307, Bar Hill (Slate Hall Farm)' in the draft Greater Cambridge Local Plan for a major employment park. Policy S/DS: Development Strategy identifies this allocation providing approximately 240,000 metres square (GIA) of commercial uses, with a flexible range of unit sizes, within B2 or B8 use.

It is proposed by the draft allocation that units at the Subject Site be limited to 9,300 sq. m . As will be evidenced within this report, this proposed threshold is arbitrary and will serve to continue to suppress demand, including from local occupiers seeking to remain within Greater Cambridge, meaning that businesses are forced to locate elsewhere or remain in sub-standard accommodation. This is not efficient and is detrimental to occupiers within the Industrial & Logistics (I&L) sector but also the wider local economy which is reliant on the efficient distribution and storage of goods.

Site Location & Strategic Advantages

The Subject Site's scale, location and accessibility provide the opportunity to flexibly respond to occupier demand for high quality and modern Industrial & Logistics (I&L) floorspace across a range of sizes, giving the ability to serve Greater Cambridge from a highly accessible location, with excellent linkages to labour force, supply chain companies and multi-modal distribution facilities.

Key Sector Trends & Analysis

The I&L sector is the nation's fastest growing sector and a leading driver of productivity growth. To succeed, the UK economy is highly dependent on I&L sector.

Greater Cambridge's I&L sector is highly supply constrained, especially for large units (9,290 sq. m / 100,000 sq. ft) which have a current availability rate of 1.8%. This is significantly suppressing demand and causing rents to unsustainably increase, which is putting pressure on businesses and contributing to the cost of living crisis for households.

Greater Cambridge has about half the I&L floorspace per resident compared to the FEMA. As a driver of I&L floorspace demand in Greater Cambridge, logistics ranks third after manufacturing and professional services. This diverges from trends in the FEMA and nationally where logistics is by far the most significant driver of I&L floorspace demand. Compared to other cities, the proportion of leasing transactions for large units in Greater Cambridge is significantly lower. Greater Cambridge is an outlier.

Greater Cambridge Supply Review

The supply position in relation to I&L land is very constrained in Greater Cambridge overall, and particularly in relation to land which is capable of meeting demand specifically from B2 and B8 occupiers (the majority of the existing and proposed supply being focused on provision of land for Class E use and/or being of a smaller scale thereby restricting the ability to accommodate a full range of occupier demand).

The proposed portfolio of draft allocations contained within the Regulation 18 Greater Cambridge Plan will go some way towards addressing this with the inclusion of the Subject Site (and Land Adjacent to the A14 Services), other proposed sites which include B2/B8 use being of a much smaller scale.

There is currently no allowance for larger units within the proposed supply portfolio which means that local occupiers seeking to expand to larger floorplates are being forced to relocate out of Greater Cambridge, resulting in lost economic benefits and investment.

The Subject Site is the only site within the proposed portfolio that is of a strategic scale and therefore able to cater to a full range of B2 and B8 occupier requirements and to offer continuity of supply over the Plan period. It is important that the unique opportunity offered by the site is maximised and that any future policy allows flexibility to meet a range of demand from B2 and B8 occupiers seeking to serve Greater Cambridge.

Market Demand Assessment

Overall, there is a good level of demand evidenced by current occupier requirements across the full spectrum of size ranges. However, transactions of units of 1,858 sq. m (20,000 sq. ft) and above in Greater Cambridge have been very limited over the last 2 years. This is indicative of a very constrained supply position of suitable units.

There are numerous examples of local businesses within Greater Cambridge and the wider Cambridgeshire area that occupy premises in excess of 9,300 sq. m. This is clear evidence that an arbitrary limit on the size of the unit to be permitted at the Subject Site would result in not being able to meet the full spectrum of local market demand. There is also evidence of occupiers that have been forced to locate elsewhere due to a lack of availability of premises of sufficient scale.

The evidence shows that in order to meet demand from local occupiers it is essential that a full range of unit sizes can be accommodated without restriction.

Conclusions

- The Subject Site benefits from a number of key strategic advantages which mean it is ideally placed to meet demand from occupiers within the Industrial and Logistics sectors seeking units across a range of size bands.
- Greater Cambridge has a significant undersupply of I&L premises, and particularly larger premises. This is the result of an artificially suppressed supply (via planning policy) and as a consequence Greater Cambridge is out of kilter with comparable locations and failing to meet the needs of the sector (which is vital to support both the local and national economy).
- The supply of land is also very constrained with the Subject Site being a vital and welcome addition to the portfolio of land. It is the only site of strategic scale and it is therefore very important that the opportunity is maximised and a full range of occupier demand can be accommodated.
- A supply of land and buildings at all size ranges, including over 9,300 sq. m, is essential to meet local occupier demand (there are a number of local occupiers within Greater Cambridge within larger units, development of which would not have been permitted in recent years).
- Current live demand cannot be met within Greater Cambridge due to the lack of supply of high quality units or land to meet the needs of occupiers seeking premises across the larger size ranges, but particularly those looking for accommodation of 9,290 sq. m (100,000 sq. ft) plus.
- This is evidenced by a lack of take up, as well as occupiers seeking to locate in alternative areas or remaining in sub-optimal accommodation.

The principle of allocation of the Subject Site is therefore fully supported and it is essential that this enables development of a range of unit sizes, in order to meet market demand.

1. Introduction

1.1 Purpose

- 1.1.1 Savills is instructed by Lolworth Developments Limited, a subsidiary of Salhia Real Estate to advise on the market need for proposals for strategic employment development at J25 Bar Hill, Greater Cambridge (the Subject Site).
- 1.1.2 Lolworth Developments Limited is promoting the Subject Site on the north side of the improved Junction 25 of the A14, opposite Bar Hill. The Subject Site forms the primary part of the proposed site allocation 'Policy S/SHF: Land north of A1307, Bar Hill (Slate Hall Farm)' in the draft Greater Cambridge Local Plan for a major employment park. Policy S/DS: Development Strategy identifies this allocation providing approximately 240,000 metres square (GIA) of commercial uses, with a flexible range of unit sizes, within B2 or B8 use.
- 1.1.3 The Subject Site extends to c. 100 ha gross and indicative proposals are for employment uses falling within E(g), B2 and B8 Class. Based on the excellent accessibility and locational credentials of the site, including its proximity to Cambridge city, the Subject Site will be attractive to a wide range of occupiers and will make a vital contribution to the currently extremely limited portfolio of employment land within Greater Cambridge which cannot currently meet local demand across a full spectrum of occupier requirements (something which has been the case for some time).
- 1.1.4 It is proposed by the draft allocation that units at the Subject Site be limited to 9,300 sq. m . As will be evidenced within this report, this proposed threshold is arbitrary and will serve to continue to suppress demand, including from local occupiers seeking to remain within Greater Cambridge, meaning that businesses are forced to locate elsewhere or remain in sub-standard accommodation. This is not efficient and is detrimental to occupiers within the I&L sector but also the wider local economy which is reliant on the efficient distribution and storage of goods.

1.2 Report Structure

- 1.2.1 The remainder of this report is structured as follows:
- The location and strategic advantages of the Subject Site are set out at Section 2;
 - National and local key sector trends and indicators are reviewed at Section 3;
 - Review and analysis of the supply of I&L land within Greater Cambridge is included at Section 4;
 - An assessment of market demand is undertaken at Section 5, including review of occupier requirements and take-up; and
 - Conclusions are set out at Section 6.

1.3 Reader Note

- 1.3.1 When we refer to the I&L sector we mean Light Industrial (formerly B1c use class now part of Class E), General Industry (B2 use class), and Storage and Distribution (B8 use class). Effectively the primary use classes that require warehouses and factories (including ancillary offices), and associated yard spaces. These use classes typically cover the diverse range of industrial, manufacturing and logistics companies that operate within England.

2. Subject Site Strategic Advantages

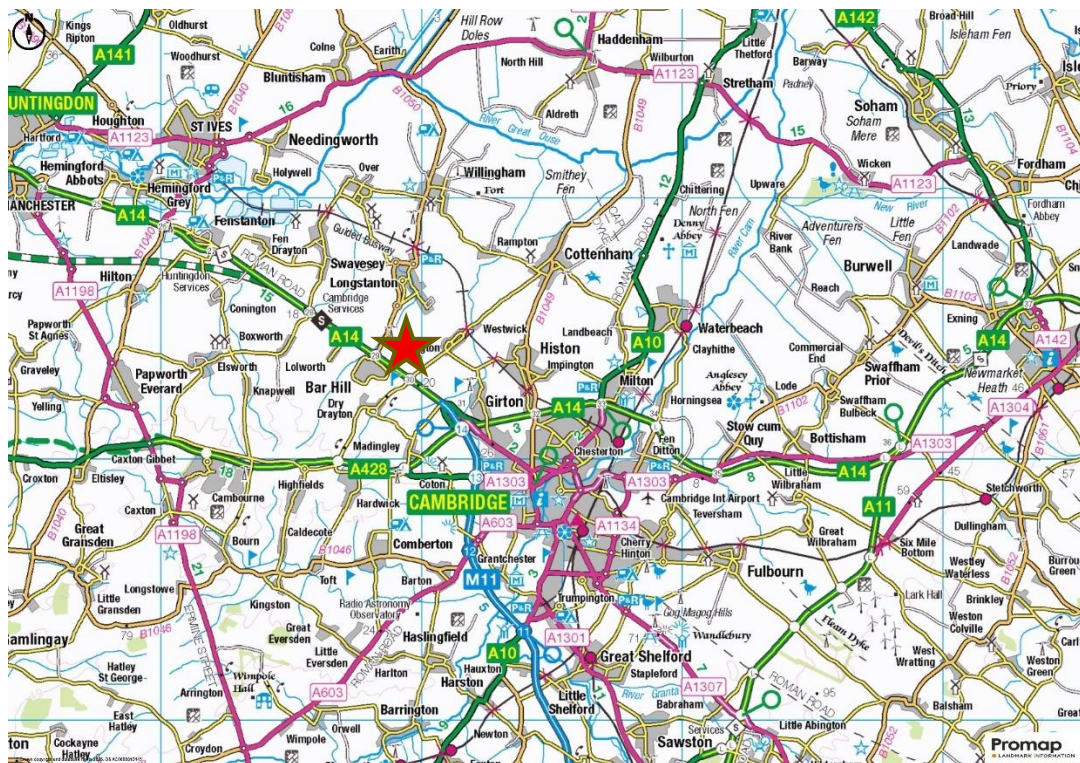
2.1 Summary

2.1.1 The Subject Site's scale, location and accessibility provide the opportunity to flexibly respond to occupier demand for high quality and modern Industrial & Logistics (I&L) floorspace across a range of sizes, in a location which gives the ability to serve Greater Cambridge from a highly accessible location, with excellent linkages to labour force, supply chain companies and multi-modal distribution facilities.

2.2 Subject Site Location

2.2.1 The Subject Site extends to approximately 100 ha, and is located to the north west of Cambridge, within the administrative boundary of South Cambridgeshire (please see **Figure 2.1** below). The scale, location and accessibility of the site offer a number of strategic advantages for occupiers within the I&L sectors and these are considered in more detail within this section.

Figure 2.1 Subject Site Location



Source: Promap/Savills, 2026

2.3 Location & Accessibility

2.3.1 Accessibility and excellent road linkages are a vital consideration for I&L occupiers, ensuring efficient and cost effective business operation.

- 2.3.2 The Subject Site has direct access to Junction 25 of the A14, providing links between Felixstowe and Harwich ports on the eastern coast and the Midlands, as well as providing excellent access into Cambridge within around 20 minutes' drive. The M11 links directly with the A14 to the south giving access to the M25 and London.
- 2.3.3 The A14 was recently upgraded through the national Road Investment Strategy (RIS) programme. The £1.5 billion scheme to improve the A14 seeks to support national economic growth by improving a strategically important freight route, improving access to labour markets and eliminating traffic delays. The Subject Site is perfectly positioned to benefit from the RIS investment.

2.4 Access to Markets (customers)

- 2.4.1 The excellent accessibility to key movement corridors is highly advantageous for I&L occupiers and logistics companies to deliver goods to Greater Cambridge. It reduces transportation time, costs, and carbon emissions.
- 2.4.2 Notably, the Subject Site's location represents an excellent opportunity for 'last-mile' logistics development to serve Greater Cambridge as part of its development profile. The provision of 'last-mile' logistics facilities on the edge of the urban area allows for more sustainable travel and servicing patterns by reducing the need for long-distance freight and supporting shorter, more efficient local supply chains. The Subject Site's highly accessible location means that traffic will be restricted to dedicated high-traffic corridors (i.e. the A14).

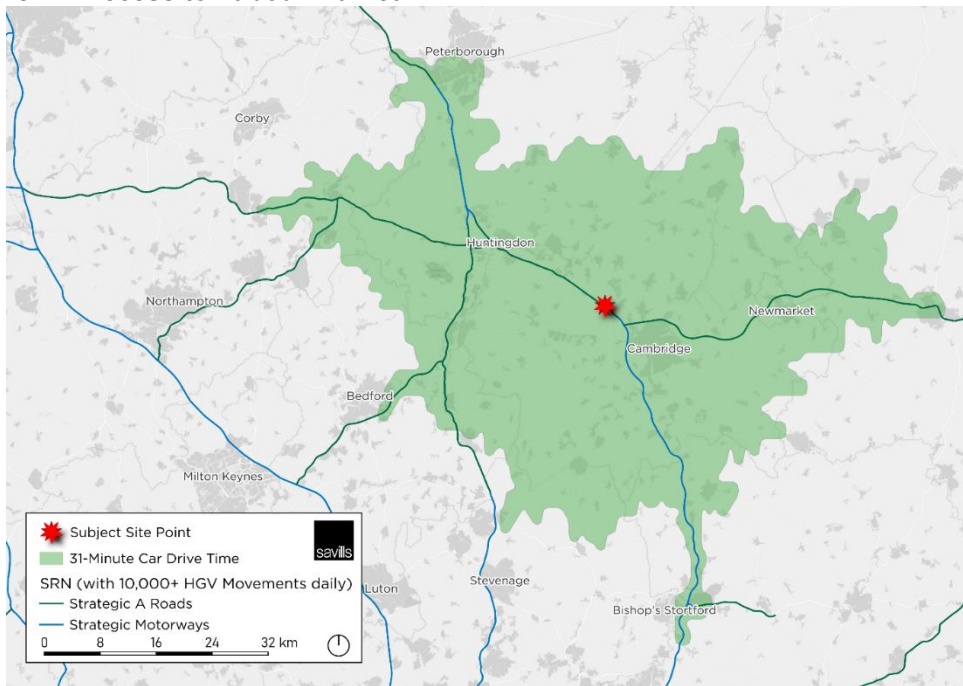
2.5 Access to Supply Chain

- 2.5.1 The Subject Site's excellent linkages give businesses a high degree of accessibility to suppliers across the region and country, as well as end customers in Greater Cambridge and beyond.
- 2.5.2 Most I&L occupiers have linkages with suppliers located within a catchment of between 1 to 4 hours travel time. There is no fixed catchment but the shorter travel time is more typical of companies serving a predominantly local catchment. Companies which operate at a national scale will generally have the widest supply chain.
- 2.5.3 It is important to note that business supply chains do not follow local authority boundaries and are driven by specific business operational models. Flexibility provided by good transport linkages such as can be delivered here, is advantageous to enable businesses to adapt to new models as required.

2.6 Access to labour supply

- 2.6.1 As a consequence of the Subject Site's location and accessibility, it offers excellent access to labour supply, which is also a key consideration of businesses when making locational decisions.
- 2.6.2 We consider a 31-minute car drive time to be an appropriate core catchment for accessing labour from the Subject Site (Figure 2.2). This is the average home-to-work travel time for residents of South Cambridgeshire. Within this catchment, approximately 558,000 working-age people are reachable, representing a high level of workforce accessibility and a considerable labour pool for future businesses located at the Subject Site to draw from.
- 2.6.3 Importantly, a proposed employment development at the Subject Site would generate new job opportunities for local residents as well as increase the level of self-containment within South Cambridgeshire.

Figure 2.2 Access to Labour Market



Source: Savills (2025)

2.7 Linkages to Major Freight Handling Infrastructure

- 2.7.1 The Subject Site’s road accessibility means it can link to freight handling infrastructure as part of its supply chains. This provides flexibility for occupiers to adapt their business models and utilise multi-modal methods of distribution as required. This is something which is increasingly important to occupiers within the I&L sector.
- 2.7.2 **Table 2.1** below lists the various freight handling infrastructure within a 45-minute and 2-hour truck time catchment of the Subject Site.

Table 2.1 Freight Infrastructure within 45-Minute and 2-Hour Truck Time Catchments

Geography	Within 45-Minute Truck Drive Time	Within 2-Hour Truck Drive Time
Rail Freight	Ely (Potter Distribution Depot)	Tilbury; London Gateway; Felixstowe; Barking; DIRFT; Hams Hall; Lawley Street; Birch Coppice; Castle Donnington; East Midlands Gateway; Doncaster; Wakefield Europort; Folkestone; Harwich/ Bathside Bay; Purfleet; Rotherham; Rugby; TIRFP (Telford); Wembley (EFOC)
Airports	Stansted Airport	Heathrow; Stansted; East Midlands; Coventry Airport; Gatwick; Birmingham; London Luton Airport

Geography	Within 45-Minute Truck Drive Time	Within 2-Hour Truck Drive Time
Ports		Boston; Chatham; Dover; Felixstowe; Goole; Harwich; Ipswich; London; Tilbury; London Gateway; Purfleet

2.8 Strategic scale

- 2.8.1 The strategic scale and unconstrained nature of the Subject Site (i.e. outside the urban area and not within the Green Belt) means that it will be possible to respond flexibly to occupier demand to ensure that occupiers seeking to serve Greater Cambridge from a range of unit sizes can be accommodated. Supporting a full range of business needs is key to ensuring that economic benefits are delivered and maximised.
- 2.8.2 The scale of the Subject Site also ensures continuity of supply over the Plan period. Given the often considerable length of time that it takes for sites of strategic scale to progress fully through the planning pipeline to the point of unit delivery, this ability to deliver space early and then on a continuing basis is particularly important to support the local economy, giving confidence to investors and businesses over the longer term.

3. Key Sector Trends

3.1 Summary

3.1.1 This Section evidences the following:

- The Industrial & Logistics (I&L) sector is the nation's fastest growing sector and a leading driver of productivity growth;
- The I&L sector's inputs into the UK's key growth sectors comprise 22% of total inputs. To succeed, the UK economy is highly dependent on I&L sector;
- Greater Cambridge's I&L sector is supply constrained, especially for large units which has a current availability rate of 1.8%;
- The supply constraints in Greater Cambridge are significantly suppressing demand;
- The supply constraints are causing rents to unsustainably increase which is putting pressure on businesses and contributing to the cost of living crisis for households;
- Greater Cambridge has about half the I&L floorspace per resident compared to the FEMA;
- As a driver of I&L floorspace demand in Greater Cambridge, logistics ranks third after manufacturing and professional services. This diverges from trends in the FEMA and nationally where logistics is by far the most significant driver of I&L floorspace demand; and
- Compared to other cities, the proportion of leasing transactions for large units in Greater Cambridge is significantly lower. Greater Cambridge is an outlier.

3.1.2 Overall, there is a high level of unmet demand for I&L premises in Greater Cambridge and particularly for large I&L premises (greater than 9,290 sq. m). It is essential that this shortage of premises is addressed in order to support local economic growth. The Subject Site is ideally placed to help to meet this need and, as will be considered in the following Section, offers a unique opportunity to do so.

3.2 Approach

3.2.1 This section reviews the role of the I&L sector in both the national economy and Greater Cambridge. It demonstrates how large units play a critical role in local economies. In fact, local demand for I&L premises is unable to be met without the provision of large units.

3.2.2 Savills analysis compares the role of logistics in Greater Cambridge with comparable cities. It shows how Greater Cambridge is an outlier in this regard and that its planning policies are suppressing demand for I&L premises.

3.3 National I&L Growth Trends

3.3.1 We have provide a detailed summary of national I&L growth trends in **Appendix A**. Key points are set out below:

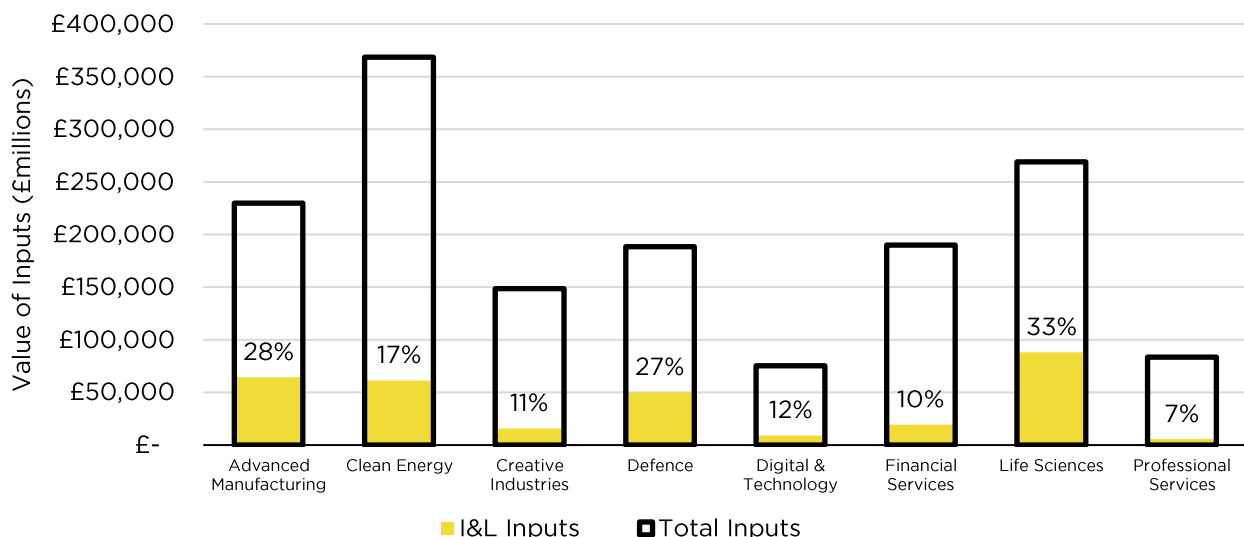
- **It is a leading driver of productivity gains to the national economy;**
- **It is the economy's fastest growing sector;**
- **The need for I&L premises continues to increase due to the rise of e-commerce, growing global freight flows, and the imperative of improving supply chain resilience;**
- **I&L premises are now considered critical national infrastructure that support the functioning of the economy and the way we live our lives;**

- **The sector remains supply-constrained nationally;**
- **Jobs in the sector are well-paid and high-quality; and**
- **Its impact extends well beyond onsite, warehouse-related jobs.**

3.3.2 The Government’s Industrial Strategy recognises the sector’s vital contribution to the competitiveness of its eight identified growth sectors (referred to as the IS-8) which are presented in **Figure 3.1**. The IS-8 are underpinned, to varying degrees, by I&L. This can be directly via the provision of physical premises or indirectly via the transport of physical goods and data to end customers.

3.3.3 Savills has analysed the Input-Output Analytical Tables produced by the Office for National Statistics (ONS) which shows how different industries economically engage with each other through the exchange of goods and services. **Figure 3.1** shows that the combined IS-8 sectors purchased £250 billion worth of inputs from the I&L sector, which is equivalent to 22% of their overall inputs.

Figure 3.1 I&L is a Vital Input to the IS-8 Sectors



3.4 Market Indicators for Greater Cambridge’s I&L Sector

Defining a Property Market Area

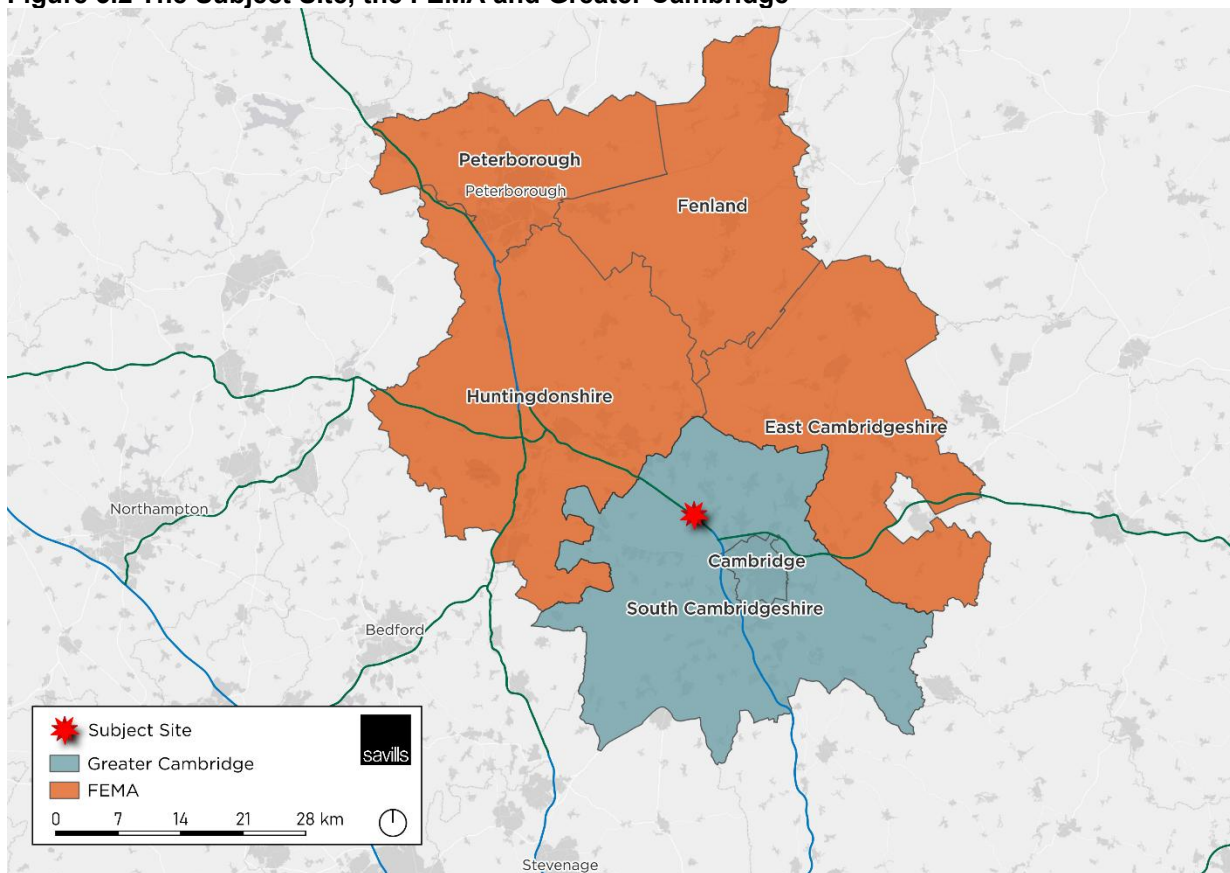
3.4.1 Before we consider the strength of the I&L market in Greater Cambridge, it is necessary to identify an appropriate Property Market Area (‘PMA’) relevant to the Subject Site. This is the geography within which we will consider market supply and demand factors.

3.4.2 To identify an appropriate PMA, we first consider South Cambridgeshire’s employment evidence to see if the Council has defined a Functional Economic Market Area (‘FEMA’). A FEMA is a collection of administrative areas which share economic linkages as defined by travel to work patterns, housing market areas, shared infrastructure, labour skills, etc. Where possible, we look to use the Council defined FEMA as a proxy for the PMA for I&L uses.

3.4.3 The South Cambridgeshire Local Plan (2018) is supported by the Employment Land Review Update and Review of Selective Management of Employment Polices (July 2012). The document does not explicitly reference a FEMA and uses the Greater Cambridge geography.

3.4.4 A new Greater Cambridge Local Plan is being prepared. The Greater Cambridge Employment and Economic Needs Study (2020) is a key evidence base document that supports the plan making process. It identifies the FEMA as comprising six local authorities: Cambridge City Council, East Cambridgeshire District Council, Fenland District Council, Huntingdonshire District Council, Peterborough City Council and South Cambridgeshire District Council. A FEMA is a collection of administrative areas which share economic linkages including travel-to-work patterns, housing market areas, shared infrastructure, and labour skills. Where possible, we use a council-defined FEMA as a proxy for the PMA for I&L uses. We therefore consider the FEMA to be the appropriate geography for assessing I&L uses. We have also assessed the Greater Cambridge geography given its relevance to the review of the local plan. These geographies are shown in **Figure 3.2**.

Figure 3.2 The Subject Site, the FEMA and Greater Cambridge



Source: Savills, 2025

Market Supply & Demand Indicators

- 3.4.5 The consideration of market signals is a key requirement of the NPPF (Paragraph 32) to underpin the preparation and review of all Local Plan policies.
- 3.4.6 **Table 3.1** summarises the key market supply and demand indicators for South Cambridgeshire and the FEMA in 2025.
- 3.4.7 Greater Cambridge currently has 1,037,600 sq.m of I&L floorspace. This equates to 16% of the FEMA's total I&L stock.

3.4.8 The availability rate in Greater Cambridge was 4.5%, which was lower than the wider FEMA's availability rate (5.4%). Over the period 2012 to 2024, the average availability rate in Greater Cambridge was 7.6%. Almost all geographies have current rates of availability below their longer term average (2012-2024).

Table 3.1 Summary of Key Market Supply Indicators

	Inventory (2025 YTD) (sq.m)	Current Availability Rate (2025 YTD)	Average Availability Rate (2012-2024)
South Cambridgeshire	730,000	4.2%	8.0%
Cambridge City	308,000	5.2%	6.0%
Greater Cambridge	1,038,000	4.5%	7.6%
East Cambridgeshire	444,000	8.1%	4.9%
Fenland	1,691,000	1.1%	5.1%
Huntingdonshire	1,691,000	4.9%	5.8%
Peterborough	2,255,000	7.6%	6.0%
FEMA	6,416,000	5.4%	6.0%

Source: CoStar, Savills, 2025. NB: Figures may not sum due to rounding

3.4.9 **Table 3.2** presents inventory by size band and the availability rate in Greater Cambridge through to 2026 Year To Date. The overall availability rate is currently 6.5%. However, the availability rate of large units is only 1.8%

Table 3.2 Summary of Key Market Supply & Demand Indicators

	Inventory (2026 YTD) (sq.m)	Current Availability Rate (2026 YTD)
Small (up to 2,787 sq.m)	429,000	8.5%
Medium (2,787 sq.m to 9,290 sq.m)	383,000	8.9%
Large (greater than 9,290 sq.m)	401,238	1.8%
Total	1,204,000	6.5%

Source: CoStar, Savills, 2025. NB: Figures may not sum due to rounding

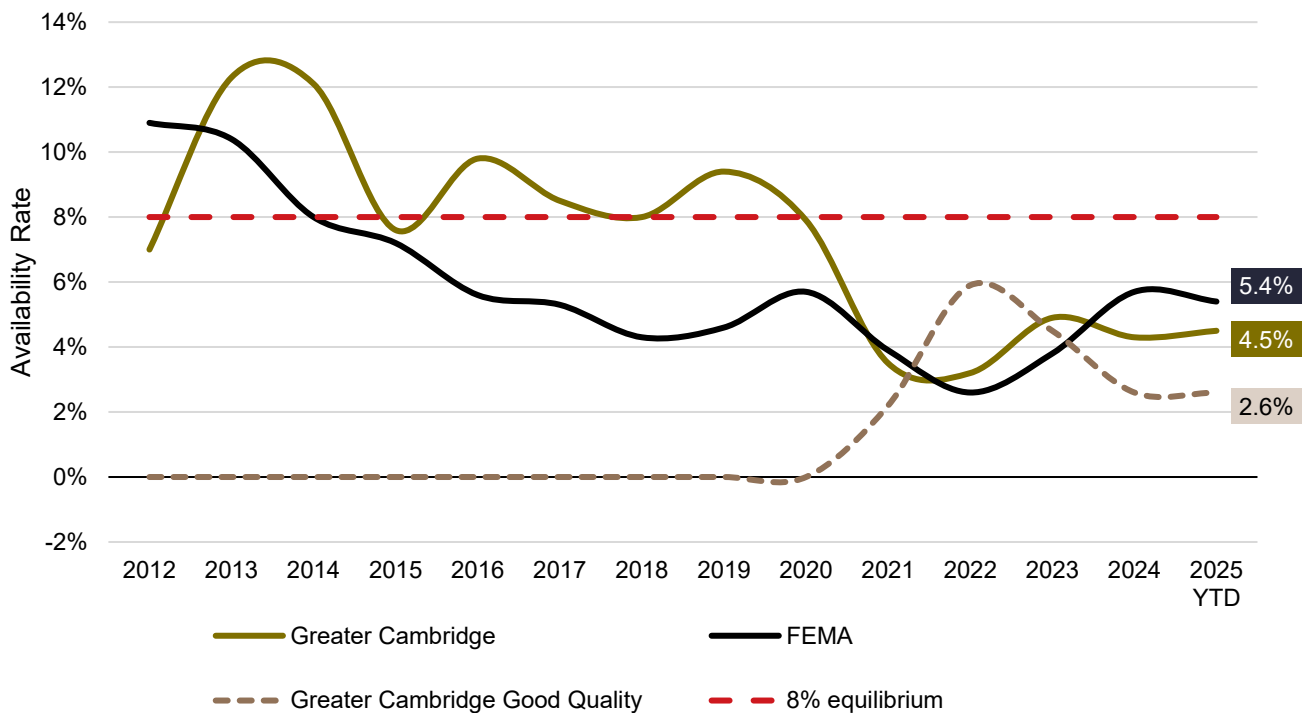
Greater Cambridge is Supply Constrained

3.4.10 At the national level, 8.0% availability across all size bands is commonly referred to as the level where a market is broadly in balance (i.e. equilibrium frictional capacity) in terms of supply and demand, as sourced in publications such as the:

- GLA's Land for Industry and Transport Supplementary Planning Guidance ('SPG') (2012);
- London Plan (2021); and
- British Property Federation's ('BPF') 'Levelling Up – The Logic of Logistics' Report.

- 3.4.11 Below this level available supply becomes tight and rents increase as strong occupier demand compete for limited available stock.
- 3.4.12 As shown in **Figure 3.3**, availability in Greater Cambridge has been below the 8.0% equilibrium since 2020 and it has been below this level since 2014 in the wider FEMA. This indicates that the I&L market has been supply-constrained for a considerable period which in turn suppresses demand because not all occupiers are able to find space to meet their needs. As a result, they are either forced to remain in their existing premises, even if not ideal for their operational requirements, or leave the area to find suitable premises elsewhere, taking jobs and investment.
- 3.4.13 The availability of good quality¹ buildings has also been below the 8% equilibrium in Greater Cambridge. Until 2020, good quality I&L stock had 0% availability. Since 2021, there has been a slight increase and it is currently just 2.6%. This is well below the 8% equilibrium.

Figure 3.3 I&L Availability in Greater Cambridge and the FEMA (2014-2025 YTD)



Source: CoStar, Savills 2025

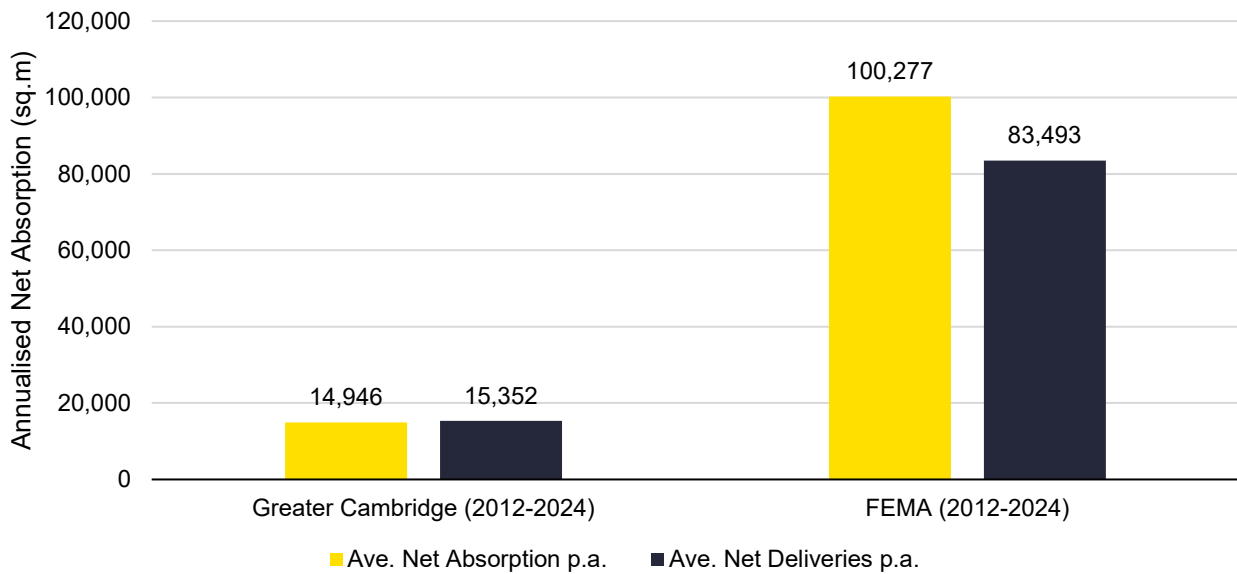
Greater Cambridge's Supply Constraints are Suppressing Demand

- 3.4.14 Net absorption is a leading measure of demand based on lease deals. It compares occupied space (move-ins) versus vacated space (move-outs). On the other hand, net deliveries is a measure of supply and registers the change in inventory (floorspace) related primarily to new developments.

¹ We use CoStar's building quality rating system. A rating of 4 and 5 stars equates to good quality; a 3-star rating equates to average quality; and 1 and 2-star rating equates to poor quality. CoStar is a leading provider of commercial property data.

3.4.15 **Figure 3.4** shows that over the past 13 years (2012-2024) in the FEMA, average levels of net absorption (demand) have exceeded the average levels of net deliveries (supply) of I&L floorspace. Across the FEMA, demand has exceeded supply by 20% over the period 2012 to 2024. In Greater Cambridge, the market’s highly constrained state with few new deliveries has held back net absorption. The level of market activity in Greater Cambridge is unusually low and this is a clear indication of market demand being suppressed as a result of a lack of suitable, available I&L premises. The element of the market being most suppressed is the large unit sector as already indicated by its availability rate of 1.8% shown in Table 3.2. The analysis below is additional evidence that leasing activity in this part of the market diverges from the FEMA.

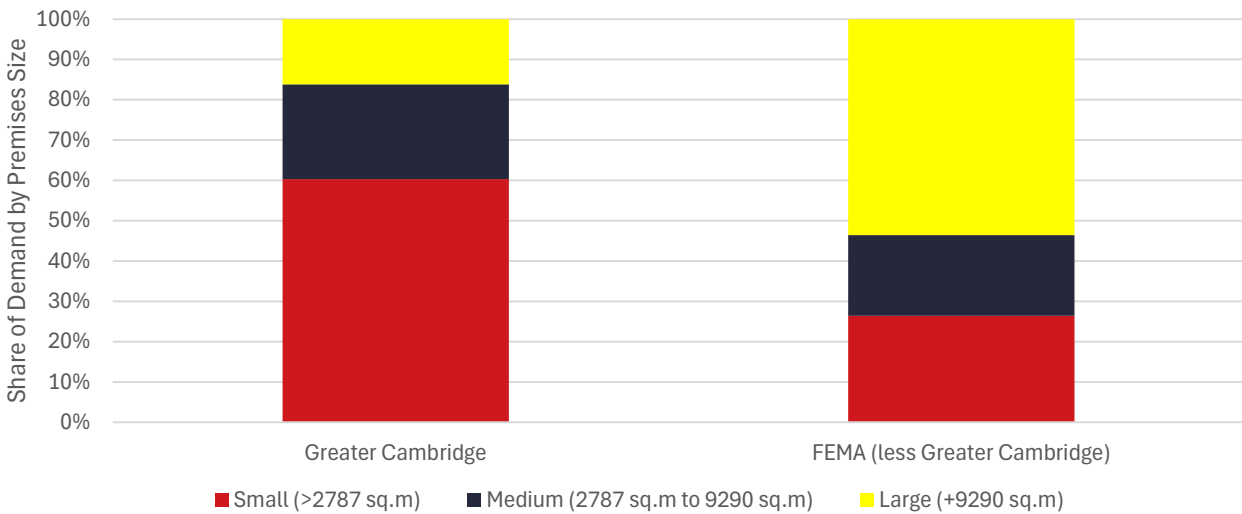
Figure 3.4 Average Net Absorption Vs. Average Net Deliveries p.a. (2012-2024)



Source: CoStar, Savills 2025

3.4.16 **Figure 3.5** shows that Greater Cambridge has a very low 16% of lettings over the past 10 years that are for large premises (greater than 9290 sq. m or 100,000 sq. ft). This low proportion is largely due to the restrictive planning policy. By way of illustration of this point, in the FEMA, the proportion of lettings for large premises is more than three times that of Greater Cambridge at about 54%. This is more typical of national trends and highlights the distortions in the Greater Cambridge I&L market.

Figure 3.5 Demand by Premises Size



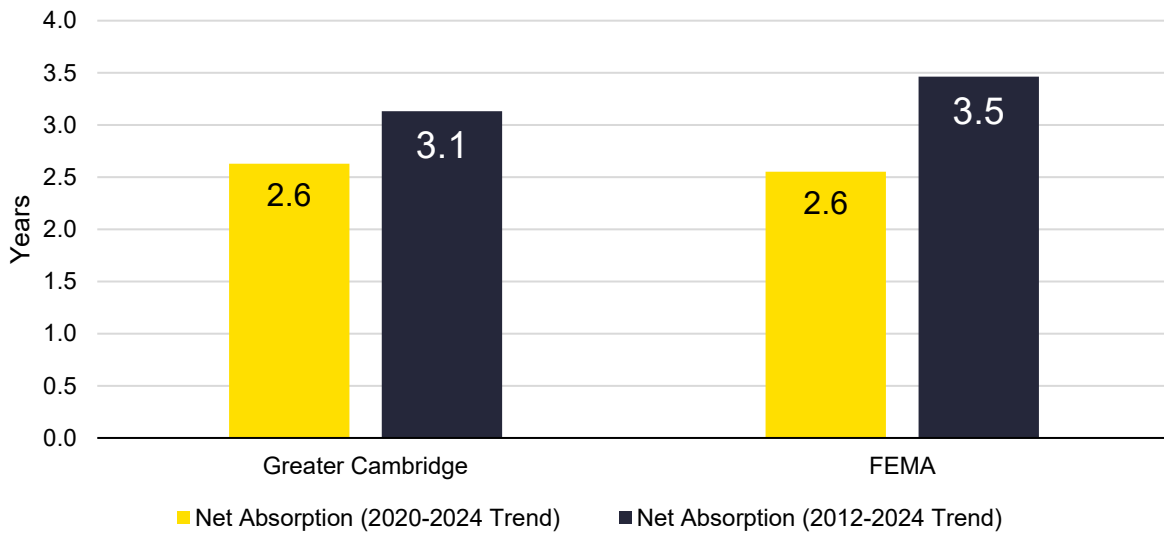
Source: CoStar, Savills 2025

Greater Cambridge Has Limited Supply, Especially for Good Quality Stock

- 3.4.17 That Greater Cambridge and the FEMA are supply constrained is further illustrated by assessing the current years of supply, which is how many years of available floorspace is available to meet anticipated levels of demand (net absorption²).
- 3.4.18 As shown in **Figure 3.6**, when using the historic long-term 2012 to 2024 trend for demand (net absorption), Greater Cambridge has 3.1 years of supply available, whilst the FEMA has 3.5 years. When limiting the analysis to more recent performance of net absorption (2020-2024), the years of available supply drops to 2.6 years for both geographies. Given Greater Cambridge’s constraints and the low level of take-up, these figures mask the limited alternatives that occupiers in Greater Cambridge have.

² Net absorption is a leading measure of floorspace demand (move-ins minus move-outs).

Figure 3.6 Years of Immediate Available I&L Supply Stock in Greater Cambridge and FEMA

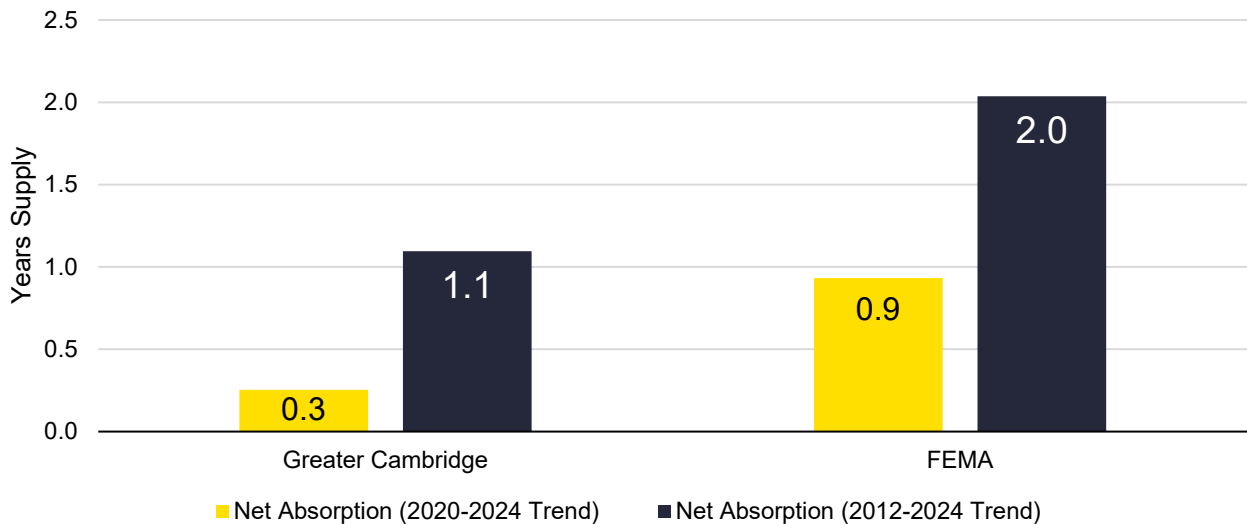


Source: CoStar, Savills 2025.

- 3.4.19 The supply situation becomes more critical when considering the availability of floorspace of good quality. This further analysis is critical because occupiers increasingly demand better quality buildings with Environmental, Social and Governance ('ESG') features given the increasing costs associated with running warehouses. This is evidenced in the Savills European Real Estate Logistics Census (2024) where the most cited issue was 'more stringent ESG targets/regulations' which was considered important or very important by 69% of occupiers³.
- 3.4.20 An understanding of the current market can be drawn from comparing the historic trend of net absorption (a proxy for demand) against the currently available I&L floorspace. Dividing the historic average net absorption by the currently available floorspace results in a high-level estimate of how much I&L is available immediately, based on historic trends.
- 3.4.21 **Figure 3.7** shows there is only 0.3 years of supply of good quality I&L stock in Greater Cambridge when using a more recent historic net absorption trend of five years (2020-2024). It is only 1.1 years following the longer historic period of 2012-2024. This indicates that there is an immediate need for good quality stock which meets modern occupier requirements.

³ Spotlight: European Real Estate Logistics Census Autumn 2024 (Savills, 2024). Available at: https://www.savills.co.uk/research_articles/229130/366049-0#esg

Figure 3.7 Years of Immediately Available Supply for Good Quality I&L in Greater Cambridge and the FEMA

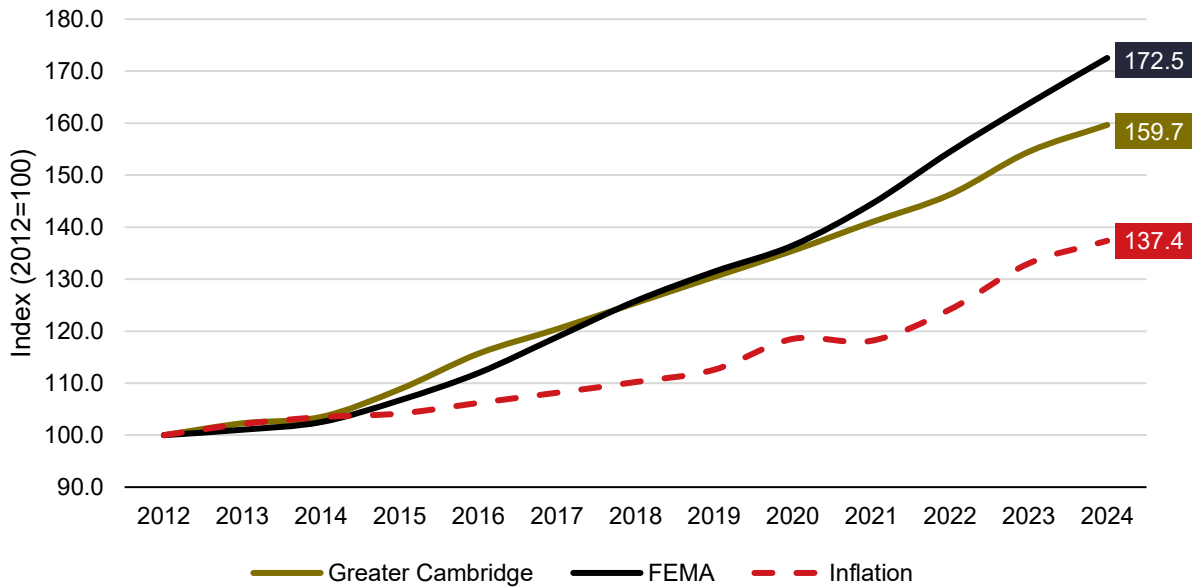


Source: CoStar, Savills 2025.

Greater Cambridge’s Supply Constraints Impact Local Occupiers and Residents

- 3.4.22 Another key market indicator for understanding the relationship between supply and demand is rental growth. When demand exceeds supply, rental growth is typically higher as occupiers compete for limited available stock. This in turn drives up rents. Conversely, when there is sufficient supply to accommodate demand, rental growth is lower, typically tracking inflation more closely.
- 3.4.23 Across Greater Cambridge and the wider FEMA, rents have grown above the rate of inflation. This corroborates the availability analysis in **Figure 3.3**, namely that Greater Cambridge and the wider FEMA have both been supply constrained, with their respective availability rates being below the 8.0% equilibrium for the last decade.
- 3.4.24 **Figure 3.8** below shows that between 2012 and 2024, rents have grown by almost 60% in Greater Cambridge, and 73% in the wider FEMA. This is significantly greater than the rate of inflation. The increase in rents impacts existing occupiers, especially smaller companies, whose profit margins are already under pressure. It also impacts the local cost of living as it is more expensive to deliver goods and services to local residents. In other words, it is a contributor to the cost of living crisis.

Figure 3.8 I&L Rental Growth Vs. Inflation (2014-2024)



Source: CoStar, Savills 2025

3.4.25 There is momentum behind the strong rental growth as it has been stronger in recent years (2020 to 2024) than in the previous period (2014 to 2019). **Table 3.3** shows that rental growth has been stronger between 2020 and 2024 compared to the preceding 5 year period (2014-2019) in both Greater Cambridge and the FEMA. This indicates that the market’s supply-constrained state maybe be causing rental growth to accelerate.

Table 3.3 Annual Rental Growth (2014-2024)

	Average Year-on-Year Growth (2014-2019)	Average Year-on-Year Growth (2020-2024)
Greater Cambridge	6.1%	7.3%
FEMA	5.8%	7.0%

Source: CoStar, Savills 2025

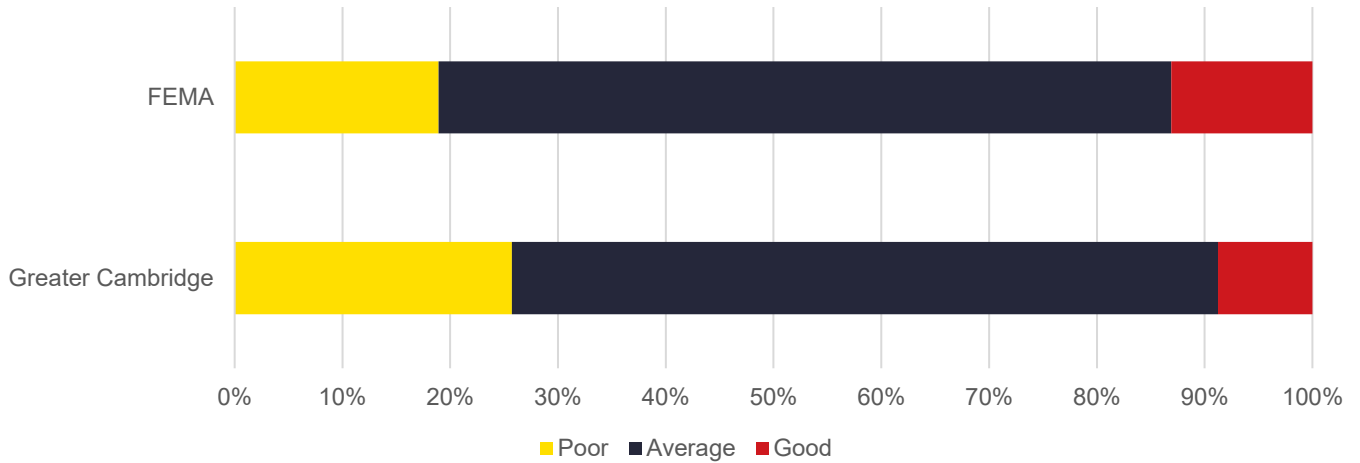
Greater Cambridge Lacks Good Quality I&L Stock

3.4.26 As discussed above, due to the increasing operational costs of warehouses, occupiers are gravitating towards better quality buildings with Environmental, Social and Governance (ESG) features. As a result, demand is strong for buildings that achieve high BREEAM (Building Research Establishment Environmental Assessment Methodology) and EPC (Energy Performance Certificate) ratings. These properties are given a CoStar quality rating of 4 or 5 stars. Properties that don’t meet these standards are given either a 3-star rating (average quality) or a 1 or 2-star rating (below average quality).

3.4.27 **Figure 3.9** compares the quality of I&L stock by CoStar rating for Greater Cambridge and the FEMA. It shows that 91% of Greater Cambridge’s I&L inventory is either of poor or average quality. Greater Cambridge has only 9% of stock of good quality which is significantly below the FEMA. This indicates

that existing I&L premises in Greater Cambridge should be refurbished or redeveloped, and that new high quality premises are needed to meet the requirements of modern occupiers.

Figure 3.9 Quality of I&L Stock in Greater Cambridge, FEMA, East of England, and England



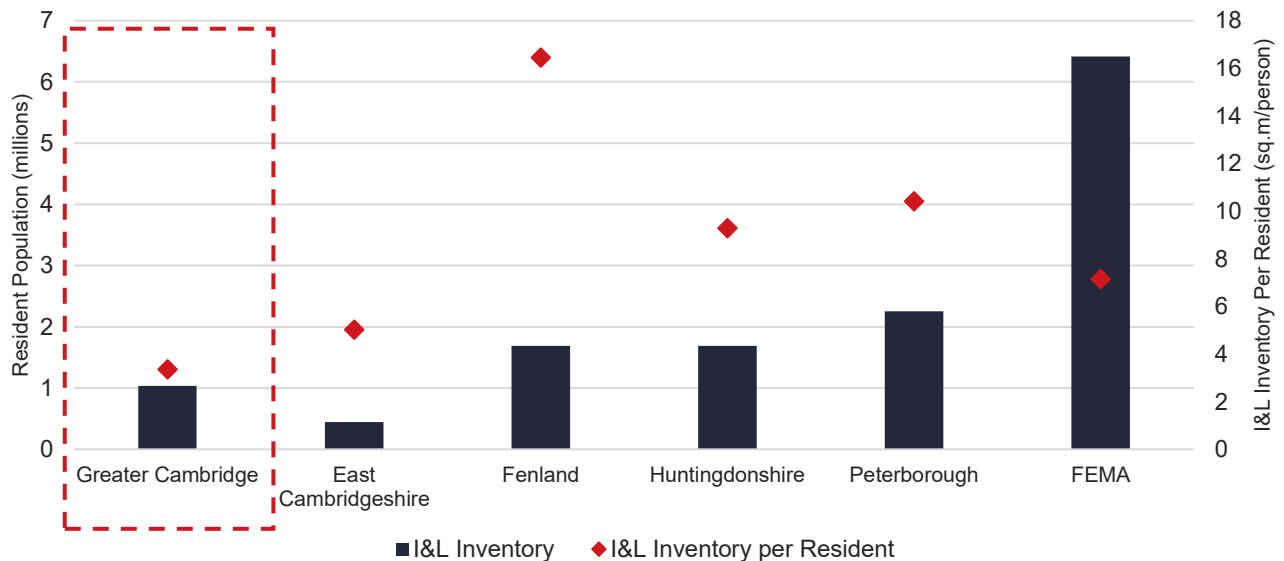
Source: CoStar, Savills 2025

Greater Cambridge Has Less Than Half the I&L Floorspace Per Resident as FEMA

- 3.4.28 An important consideration when assessing I&L supply is the amount of I&L floorspace per resident. This reflects the extent to which I&L premises shape and support our lives and work. I&L is the foundation upon which much of the economy is built⁴. Without the production, storage, and distribution of goods and services, the economy cannot function. Equally, well-located I&L development enables occupiers to meet end-users’ needs in an efficient manner (both economically and environmentally). Optimal locations ensure that supply-chains and networks are able to reduce and optimise journey times.
- 3.4.29 The I&L floorspace per resident in Greater Cambridge and the other local authorities in the wider FEMA are presented in **Figure 3.10**. In Greater Cambridge, there is only 3.4 sq. m of I&L floorspace per resident. Within the wider FEMA, the average is 7.2 sq. m per resident. Greater Cambridge has less than half the level of the wider FEMA.

⁴ Savills (2022). Levelling Up – the logic of logistics. Available at: www.savills.co.uk/research_articles/229130/326244-0

Figure 3.10 Share of Floorspace Leased by Sector (2014-2024)

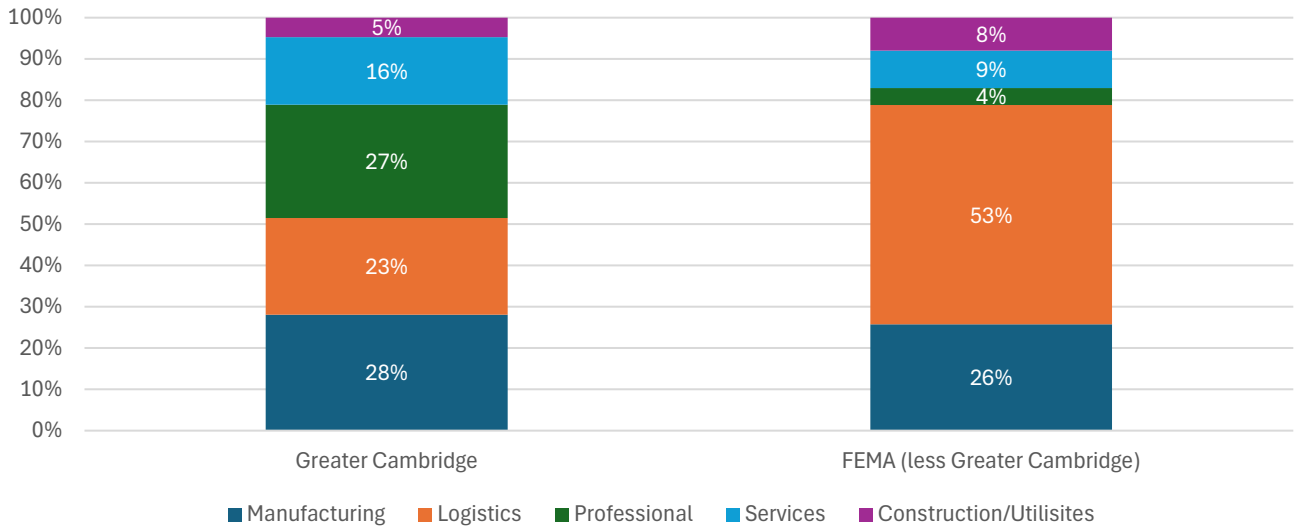


Source: CoStar, Savills 2025

3.5 Role of Logistics in the Greater Cambridge Economy

- 3.5.1 Cambridge's economy increasingly relies on diverse support services and supply chains (including advanced manufacturing, R&D activities, and logistics) that require access to well-located, modern I&L floorspace . These uses are essential for the efficient operation of the city's knowledge-based economy but are displaced by competing land uses, particularly residential and office development, within the urban area and fringe sites.
- 3.5.2 To better understand demand for I&L premises and the role of logistics in the local economy, we assess lease transactions in Greater Cambridge and the FEMA over the past decade.
- 3.5.3 Within the FEMA, the logistics sector has been the most prominent driver of demand, followed by manufacturing, services and construction. This is consistent with national trends.
- 3.5.4 However, when comparing leasing in Greater Cambridge with the rest of the FEMA, **Figure 3.11** shows that the logistics sector ranks third in leasing activity, comprising 23% of total leasing activity in the I&L sector. This is lower than both manufacturing and professional services. This is highly unusual and is an indication that the development restrictions and the lack of availability are suppressing demand.
- 3.5.5 A key reason for the lack of logistics activity in Greater Cambridge is due to the low availability that is shown in **Figure 3.3**. Overall availability is 4.6% and the rate of availability amongst good quality premises is just 2.6%. It is also the result of the limitations placed on large premises. Typically, large units (greater than 9,290 sq.m) play an important role in meeting local demand for logistics floorspace. However, there are so few that this part of the I&L sector plays a very limited role in meeting demand.
- 3.5.6 Planning policy in the wider FEMA allows for the development of larger units and also exhibits a higher proportion of leasing activity linked to logistics. In this instance, policy and leasing activity are closely linked.

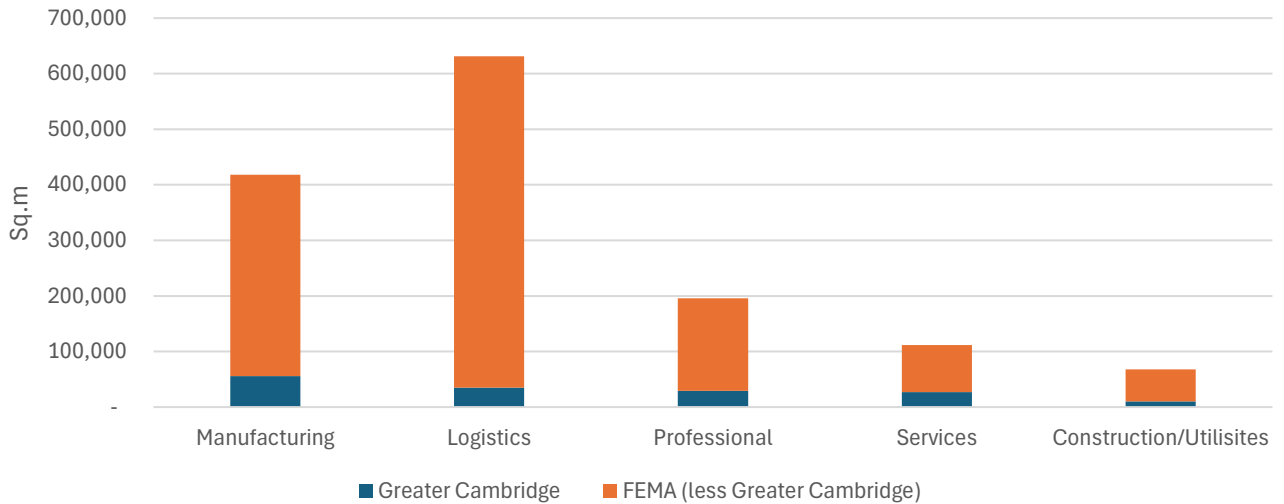
Figure 3.11 Share of Floorspace Leased by I&L Sector (2015-2025 YTD)



Source: CoStar, Savills 2025

3.5.7 The suppression of the logistics sector in Greater Cambridge is further evidenced in **Figure 3.12**. Even though Greater Cambridge’s I&L inventory comprises 16% of all I&L floorspace in the FEMA, **Figure 3.12** shows that its share of logistics activity is just 5% of the all logistics activity in the FEMA. This result diverges with the 2025 Greater Cambridge Warehouse and Industrial Space Needs report (WISN) which is a key evidence base document for the local plan. The WISN anticipates that 40% of demand will be for distribution activities which we view as the same as logistics.

Figure 3.12 Leasing Transactions in Greater Cambridge and the FEMA (2015-2025 YTD)

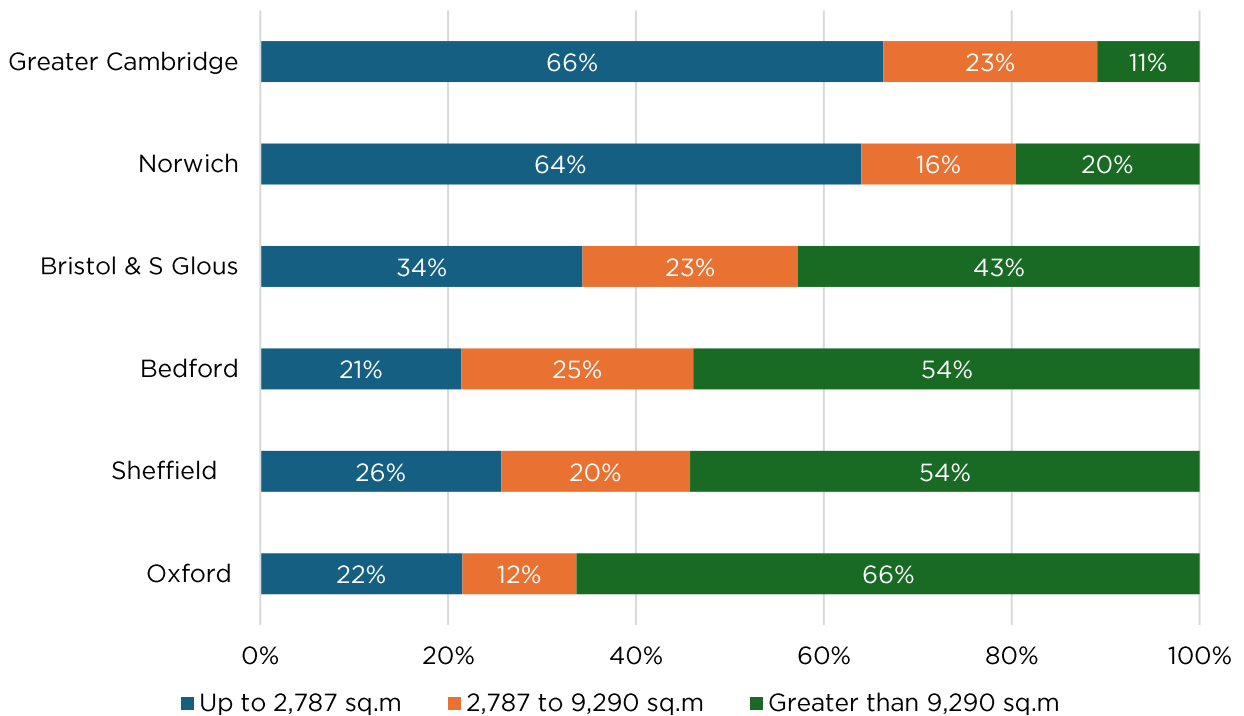


Source: CoStar, Savills 2025

3.6 Role of Logistics in Comparable Cities

- 3.6.1 We have compared Greater Cambridge’s I&L leasing activity with city regions of comparable size. The analysis is from 2018 because this is when the former South Cambridgeshire local authority adopted Policy E/11: Large Scale Warehousing and Distribution Centres which prohibits development of large premises.
- 3.6.2 **Figure 3.13** shows the distribution of leasing activity by size band. We consider small units to be less than 2,787 sq.m; mid-size units to be between 2,787 and 9,290 sq.m; and large units to be greater than 9,290 sq.m. The proportion of large units that have been leased in Greater Cambridge is 11%. This is comprised of a single transaction in an older warehouse building (the CDC Building) by retailer White Stores.
- 3.6.3 The proportion of lease transaction in the comparable city regions ranges from 20% in Norwich up to 66% in Oxford. The higher proportion of leasing transaction for large units illustrates the impact that planning policy has had on reducing leasing activity in Greater Cambridge. It shows that Greater Cambridge is an outlier.

Figure 3.13 Leasing Activity in Greater Cambridge and Other City Regions by Size Band



Source: CoStar, Savills, 2025

4. Greater Cambridge Supply

4.1 Summary

- 4.1.1 The supply position is very constrained in Greater Cambridge overall, and particularly in relation to land which is capable of meeting demand from B2 and B8 occupiers. The vast majority of the existing and proposed supply of I&L land is focused on Class E uses, and/or is provided within sites of relatively small scale which are therefore limited in the range of occupier demand that can be accommodated.
- 4.1.2 The proposed portfolio of draft allocations contained within the Regulation 18 Greater Cambridge Plan will go some way towards addressing this with the inclusion of the Subject Site (and Land Adjacent to the A14 Services).
- 4.1.3 There is currently no allowance for larger units within the proposed supply portfolio which means that local occupiers seeking to expand to larger floorplates will be forced to relocate out of Greater Cambridge, resulting in lost economic benefits and investment. This is evidenced by our analysis in the following Section.
- 4.1.4 The Subject Site is the only site within the proposed portfolio that is of a strategic scale and therefore able to cater to a full range of I&L occupier requirements, specifically those from businesses seeking B2 and B8 use, and to offer continuity of supply over the Plan period. It is important that the unique opportunity offered by the site is maximised and that any future policy allows flexibility to meet a range of demand from B2 and B8 occupiers seeking to serve Greater Cambridge.

4.2 Approach

- 4.2.1 We have reviewed the supply of land within Greater Cambridge. We have included sites with planning permission, an allocation, or draft allocation for I&L development (Eg(iii), B2 or B8 use).
- 4.2.2 Supply of land in Greater Cambridge has been reviewed within the following categories:
1. Land supply being sites with planning permission for I&L development; and
 2. Pipeline supply of sites which benefit from an allocation for I&L development (but do not have planning permission and are therefore not immediately available).
 3. Proposed allocations (potential future supply) of sites (which do not yet benefit from planning permission) have been reviewed separately.
- 4.2.3 Data collection in relation to Categories 1 and 2 was undertaken in March 2025 and represents a snapshot in time.
- 4.2.4 Speculative developer promotions that fall outside of the above definitions are not included in supply.

4.3 Land Supply

- 4.3.1 We have analysed the supply of land with planning permission for Eg(iii), B2 or B8 use within Greater Cambridge and the results are set out at **Table 4.1**. We have taken the sq.m figures and converted them using a 40% site coverage ratio which is what is used in the evidence base report.

Table 4.1: Land Supply (with Planning Permission)

Ref.	Name	Remaining Land (ha)**	Eg(iii)/B2/B8 Capacity (sq. m)	Comment
1	Hinxton Genome Campus	6.38	25,500*	Outline planning permission for the Campus expansion plans was granted in 2020 including 150,000 sq. m of employment floorspace. B2/B8 floorspace is limited by condition to those associated with genomics and bioinformatics data storage. Primary purpose is expansion of Wellcome Campus for Research and Translation space.
2	Cambridge South, West Way, Sawston (Accelerator Park)	2.00	8,018	Redevelopment of former Marley Building Materials site. Erection of 3 employment/research and development units with flexible Eg(ii), Eg(iii) and B8 uses.
3	Waterbeach New Town (East & West)	4.35	17,400	Waterbeach East includes provision for 2,400 sq. m of Eg(iii)/B8. Majority of remaining floorspace likely to be offices/R&D.
4	Land to the West of Cambridge Research Park (Plot 5,000 and Plots 6,200/6,300)	4.01	16,032**	Outline Application for the erection of up to 28,000sqm of mixed B1 (a) offices B1 (b) research and development B1 (c) light industrial B2 general industrial B8 storage and distribution and A1/A3 amenity café. B8 restricted by condition to up to 50% of units of 1,700 sq. m and above.
5	Northstowe	5.38	21,525	Employment land within Phase 1. (Eg, B2, B8)
TOTAL		22.12	88,475	

*Estimated floorspace contribution as per Greater Cambridge Warehouse & Industrial Space Needs (March 2025, paragraph 7.4)

**Plot 5000 and Plots 6200/6300 only (Plot 4000 restricted of offices)

***Indicative land area @ 40% assumed plot density

- 4.3.2 There is a total of c. **22.12 ha** of land across **5 sites** within Greater Cambridge, with a total capacity of c. 88,475 sq. m (approximately 952,337 sq. ft). However, this headline figure does not account for qualitative issues:
- Whilst land at *Cambridge Research Park* can technically accommodate Eg(iii), B2 and limited B8 (subject to restrictions), given the context of the plots within the Research Park it seems likely that the plots will be developed for similar uses, and they are being marketed towards R&D and mid-tech occupiers. The actual contribution towards Eg(iii), B2, B8 may therefore be less than forecast above.
 - *Waterbeach New Town* – similarly the majority of floorspace delivered at Waterbeach is likely to be within the R&D/office sectors with limited light industrial and B8.
 - B2/B8 floorspace at *Hinxton Genome Campus* is limited by planning condition to those uses associated with genomics and bioinformatics data storage. This does meet an element of demand but is not available for the majority of occupiers.
 - There are **no sites of scale** which are capable of accommodating a range of unit sizes to maximise occupier demand, or to provide continuity of supply over the Plan period.
- 4.3.3 Overall, taking into account the qualitative assessment, the supply of land with planning permission is highly constrained.

4.4 Pipeline Supply

- 4.4.1 We have assessed the pipeline supply of sites that benefit from an allocation (or are designated within an existing employment area) but do not have planning permission. The assessment includes sites with an allocation for Eg(iii), B2 or B8 use, consistent with the assessment of consented land supply above.
- 4.4.2 There are **no allocated sites** which have not already been included within the review above. All those within the search parameters are now benefiting from planning permission.

4.5 Draft Allocations

- 4.5.1 For the purposes of this exercise, the employment allocations included within the Greater Cambridge Draft Local Plan (Part 2, Part 3, Part 4 and Part 5) Site Allocation documents have been reviewed.
- 4.5.2 The vast majority of the draft allocations are focused on the provision of employment floorspace within Class E, being offices, Research & Development, with some element of light industrial use. The Subject Site is one of the minority of the allocations proposed which provides for B2 and B8 use. The proposed allocation of the Subject Site is therefore fully supported and vital to bolster the supply of land for B2 and B8 use within Greater Cambridge.
- 4.5.3 Proposed allocations which include provision for B2/B8 use are summarised below:
- Land north of A1307, Bar Hill (Slate Hall Farm): GCLP draft policy S/DS: Development Strategy, which informs the site allocations identifies that the site is proposed to be allocated for approximately 240,000 metres square (GIA) of commercial uses, providing a flexible range of unit sizes within B2 or B8 use (the Subject Site forming the primary part of this allocation).
 - Land to the south of Cambridge Services A14: c. 18.2 ha site proposed to be allocated to meet demand for local employment uses with capacity for approximately 90,000 square metres gross internal area of Class B2 (General Industrial) or Class B8 (Storage or Distribution), with around 2.25 hectares focused on lorry parking to provide around 150 spaces.

- Clifton Road area: redevelopment of existing employment area to include reprovision of existing B2/B8 floorspace;
- Land adjacent to A11 and A1307 at Grange Farm: Class B2 (General Industrial) floorspace and Class B8 (Storage or Distribution) through provision of a local last-mile logistics hub/warehousing of approximately 20,000 square metres (GIA);
- Northstowe New Town: approximately 19,000 square metres (GIA) of Class E(g)/B2/B8 in Phase 1 of this major residential led development.
- Land north of Waterbeach: Employment floorspace up to 39,800 square metres (GIA) across the total site including offices (E(g)(i)), research and development (E(g)(ii)), light industrial (E(g)(iii)) and storage or distribution (Class B8).
- Land at Buckingham Business Park, Swavesey: Capacity for approximately 10,000 square metres gross internal area of Class B2 (General Industrial) or Class B8 (Storage or Distribution). B8 uses would be limited to smaller premises to meet local needs.
- Norman Way, Over: 1.7 ha site with capacity for 6,100 square metres gross internal area of office (Class E(g)(i)), research and development (Class E(g)(ii)), light industrial (Class E(g)(iii)), general industrial (B2) and storage or distribution (B8) floorspace.

4.5.4 The majority of these proposed sites will only provide limited opportunities for B2 and B8 in reality due to their scale (for example, Norman Way, Land at Buckingham Business Park, Northstowe employment component, Grange Farm). It is unlikely that a significant component of B8 floorspace will be delivered at Waterbeach, with the focus here on the R&D/office sectors. The Subject Site and Land at A14 Services are therefore the only sites which are focused on the delivery of a more meaningful quantum of I&L use.

5. Market Demand Assessment

5.1 Summary

- 5.1.1 Overall, there is a good level of demand evidenced by occupier requirements across the full spectrum of size ranges. However, transactions of units of 1,858 sq. m (20,000 sq. ft) in Greater Cambridge have been very limited over the last 2 years with only three units being taken up since 2024. This is indicative of a very constrained supply position of suitable units in line with our analysis at Section 3.
- 5.1.2 There are numerous examples of local businesses within Greater Cambridge and the wider Cambridgeshire area that occupy premises in excess of 9,300 sq. m. This is clear evidence that an arbitrary limit on the size of the unit to be permitted at the Subject Site would result in not being able to meet the full spectrum of local market demand. There is also evidence of occupiers that have been forced to locate elsewhere due to a lack of availability of premises of sufficient scale (both local companies – Marshalls - and national companies seeking to serve Greater Cambridge - DHL).
- 5.1.3 The Subject Site is ideally placed to assist in meeting this pent up demand. In order to meet demand from local occupiers it is essential that a full range of unit sizes can be accommodated without restriction.

5.2 Introduction

- 5.2.1 An analysis of market demand within Greater Cambridge is provided within this Section in order to illustrate the types of occupiers and scale of demand to which the proposals for the Subject Site will respond.

5.3 Meeting a full range of local requirements

- 5.3.1 Our analysis of market demand is provided within the context of the dynamics of the I&L sector and the general principles of how this market functions.
- 5.3.2 There is a misconception implicit in the Great Cambridge's emerging local plan that the role of large units in excess of 9,300 sq. m is purely to accommodate regional and national occupiers and that the need of local occupiers is for only small and mid-sized units. It therefore follows in this erroneous line of thinking that large units are not needed to meet demand from local occupiers.
- 5.3.3 Businesses within the sector occupy buildings across a wide range of scales to meet their specific business needs. The size of the unit does not determine the type of occupier or the market being served; it is much more nuanced. The very largest units are more likely to be occupied by either logistics companies operating across a regional or national catchment, or manufacturing companies with considerable output. However, it is important to note that there is no fixed threshold above which it can be determined that the catchment of the facility is greater than local.
- 5.3.4 Furthermore, companies which are based locally and employ local residents have many reasons for requiring premises of both smaller and larger scales subject to business needs. In contrast, a company can be multi-national with no local connection and require a small facility.
- 5.3.5 Experience shows that it is common for locally-based companies to require large premises to meet their operational requirements as they grow and adapt to changes in the business environment. Savills have identified a number of local Greater Cambridge companies who occupy large units that were built prior to the restrictive policy. If these companies' operations required to identify large

premises today, they would have to leave the area. **Table 5.1** overleaf provides three examples of local, Greater Cambridge-based occupiers of large units.

5.3.6 Further examples of companies which are outside, but in close proximity to, Greater Cambridge include:

- Granta Processors Limited: long standing Cambridge-based company processing seeds and pulses for human consumption. The origin of Granta UK goes back over 100 years. They now occupy a very old warehouse unit of c. 9,420 sq. m (101,412 sq. ft) in St Neots.
- G's Fresh: a family owned fresh produce company which was founded in Ely in 1952 and now occupy a premises of c. 18,580 sq. m (200,000 sq. ft).

5.3.7 It is very clear that local companies require a wide range of unit sizes, including those in excess of the proposed 9,300 sq. m threshold which is included with the draft allocation of the Subject Site.

Table 5.1 Local Occupiers in Greater Cambridge with Large I&L / Logistics Premises

OCCUPIER	IMAGE
<p>Cambridge University Press & Assessment (CUPA) occupies a 185,000 sq.ft warehouse built in 1990. The building is primarily in industrial use with about 5% of the floorspace for offices. The occupier is part of the University of Cambridge. CUPA’s main job is to design and produce exams used around the world. The warehouse accommodates a range of logistics activities: the printing and packaging of exam packages; the distribution of exam materials throughout the world to schools, exam centres and British Councils; and the receiving, processing and storage of exam papers.</p>	
<p>Fred Smart Logistics occupies a 120,000 sq. ft warehouse in Papworth Business Park in Papworth Everard. The private company carries out logistics (storage and distribution). Although newly established, the company is part of the longstanding Frederic Smart & Son Ltd which started as an agricultural products trader. The company initially established its presence in Whittlesford in 1919 when it bought a mill. The company has continued to expand its operations, acquiring larger warehouse sites to expand its storage and distribution capacity.</p>	
<p>Hain Daniels occupies a 290,000 sq. ft warehouse on Chivers Way in Histon. Whilst Hain Daniels is based in Leeds, the Histon site was originally occupied by the Chivers family who began jam production in the 1870s. The facility became one of the largest jam and preserves manufacturers in Britain. The Histon operation was replaced by Premier Foods who bought the local factory and redeveloped it. The local operation was then purchased by Hain Daniels who continues to produce jam from the site, continuing the Chivers family’s food production activities. Today, the site accommodates a range of activities including food manufacturing, R&D, supply chain logistics, and packing and warehousing.</p>	

Source: Savills, CoStar, 2025

5.4 Occupier Demand

- 5.4.1 It is important to note that, as a general principle, most occupier requirements start with a relatively wide search area (particularly those for logistics operators) which are then refined and narrowed down, subject to availability of suitable opportunities.
- 5.4.2 It should also be noted that occupier requirements do not respect local authority boundaries. Occupiers are guided by their particular business model, including those factors outlined at Section 2 of this report in relation to accessibility to customers, labour and supply chain companies. Occupier requirements therefore generally relate to a sub-regional or regional geography and/or a catchment around key transport links (for example, the A14 Corridor).
- 5.4.3 Finally, given the artificial suppression of availability of larger size band units which is evidenced within Section 3, occupiers would be very unlikely to specify a narrow search area around Cambridge in the knowledge that there is no availability.
- 5.4.4 In the context of these points, We have provided analysis of relevant current live market requirements which focus on Greater Cambridgeshire and surrounds at **Table 5.2** below. Please note that this is not an exhaustive list and there are a number of requirements with a much larger search catchment which include this location which we have not included.

Table 5.2: Live Requirements

COMPANY	SIZE (sq. m)	SIZE (sq. ft)	SEARCH AREA	COMMENTS
Marshall Land Systems	13,935	150,000	Cambridgeshire	Immediate requirement. Having to look into Norfolk / Suffolk for suitable options
Cambridge Aerospace	4,645-6,503	50-70,000	Cambridgeshire	B2 advanced manufacturing requirement looking at existing units
Bretts transport	9,290-23,225	100,000 - 250,000	Cambridgeshire	Contract led requirement considering existing options
Confidential Occupier c/o Carter Jonas	3,716-5,574	40-60,000	Cambridgeshire	Advanced manufacturing requirement requiring c.1MVA of power
Hilton Foods	13,935-18,580	150,000-200,000	Cambridgeshire	Viewed existing buildings in the past but requirement remains unsatisfied. Likely to favour built to suit with some cold store fit out.
Confidential Occupier c/o BNP	23,225	250,000	Huntingdon surrounds &	Seeking built to suit options and could be for Coca Cola / Britvic

COMPANY	SIZE (sq. m)	SIZE (sq. ft)	SEARCH AREA	COMMENTS
Confidential occupier c/o CBRE	4,645-27,870	50,000 - 300,000	Bedford + 30 miles	Considering existing or built to suit options.
Westland horticulture	46,451+	500,000 +	A1 / A14	Long standing unsatisfied requirement for relatively local occupier.
Confidential occupier c/o CBRE	37,161+	400,000 +	A14 Corridor	Currently focused on existing / under construction options in Corby.
CEVA	18,580	200,000	Eastern Region	Ceva are considering options in the eastern region. This is partially linked to lease expiries on their space in Mendlesham, Suffolk. There is a strong preference for the A14 corridor.

Source: Savills Industrial Agency

- 5.4.5 This demonstrates that there is a range of demand from occupiers seeking new premises which would be suitable for the Subject Site should this be available. Demand is across a full range of unit sizes up to the largest units.
- 5.4.6 Marshall Land Systems are an example of a locally based company that have been unable to find appropriate permanent space to date within Greater Cambridge in order to facilitate their continued growth and expansion.
- 5.4.7 Marshall Group, who are based in Cambridge, have sold part of their business (Marshall Land Systems), to a Canadian based investment company (Flowing River Capital). The sale has meant that Marshall Land Systems are seeking a new site. They are in temporary space in Cambridge but need to find a new warehouse and be operational by the end of 2026. They are seeking factory / warehouse space of 13,935 sq. m (150,000 sq. ft) with a further 1,858 sq. m (20,000 sq. ft) of offices and c.300 car parking spaces for staff. The strong preference is to be within 30 miles of Cambridge however they are struggling to identify suitable options in this area. They have therefore inspected options as far afield as Bury St Edmunds and Ipswich.
- 5.4.8 Further evidence is provided by DHL's search, albeit now somewhat historic. DHL signed a long-term lease for a 11,770 sq. m (126,689 sq. ft) unit at Lightning Park, Huntingdon in Q1 2023. DHL serve Greater Cambridge from this unit and had originally sought to locate within Cambridge and surrounds but expanded their search area due to lack of availability. This demonstrates the need to be flexible around unit size in order enable occupiers to efficiently serve the Cambridge market. This is indicative of market sentiment, that Greater Cambridge is currently being served from the surrounding sub-region out of necessity and inability to find suitable land and premises more locally.
- 5.4.9 The lack of available land to provide high quality modern I&L floorspace in units of scale within Greater Cambridge has directly impeded this occupier's ability to deliver expansion, efficiency and meet business needs. This has ultimately resulted in their search area being expanded outside Greater Cambridge. This investment and economic benefits (including employment) may well be lost to the area as a result. The alternative being that the occupier remains in sub-optimal accommodation thereby impeding the operation and productivity of their business.

5.5 Greater Cambridge Take-up

- 5.5.1 Take up of I&L floorspace within Greater Cambridge is considerably constrained by a lack of supply (particularly in relation to larger units as highlighted above and within Section 3 of this report).
- 5.5.2 There has been no take up at all over the last 12 months. Extending the time period to 2 years, transactions within Greater Cambridge are still extremely limited with only 3 transactions:
- Tesla took a unit of 3,884 sq. m (41,808 sq. ft) at Bar Hill in November 2024.
 - Arken Pop International took a unit of 2,939 sq. m (31,630 sq. ft) at The Way, Royston in May 2024.
 - UKRI took a unit of 2,990 sq. m (32,183 sq. ft) at Trafalgar Way, Bar Hill in April 2024
- 5.5.3 In line with the findings set out within Section 3, it is clear that transactional activity within the I&L sector is being significantly suppressed within Greater Cambridge due to a lack of supply, notably in relation to larger units.

6. Conclusion

- 6.1.1 The Subject Site's scale, location and accessibility provide the opportunity to flexibly respond to occupier demand for high quality and modern Industrial & Logistics (I&L) floorspace across a range of sizes, giving the ability to serve Greater Cambridge from a highly accessible location, with excellent linkages to labour force, supply chain companies and multi-modal distribution facilities.
- 6.1.2 It is therefore ideally placed to meet demand from occupiers within the I&L sectors seeking units across a range of size bands.
- 6.1.3 Greater Cambridge has a significant undersupply of I&L premises, and particularly larger premises. This is the result of an artificially suppressed supply (via planning policy) and as a consequence Greater Cambridge is out of kilter with comparable locations and failing to meet the needs of the sector (which is vital to support both the local and national economy).
- 6.1.4 The supply of land is also very constrained with the Subject Site being a vital and welcome addition to the portfolio of land. It is the only site of strategic scale and it is therefore very important that the opportunity is maximised and a full range of occupier demand can be accommodated.
- 6.1.5 A supply of land and buildings at all size ranges, including over 9,300 sq. m, is essential to meet local occupier demand (there are a number of local occupiers within Greater Cambridge within larger units, development of which would not have been permitted in recent years).
- 6.1.6 Current live demand cannot be met within Greater Cambridge due to the lack of supply of high quality units or land to meet the needs of occupiers seeking premises across the larger size ranges, but particularly those looking for accommodation of 9,290 sq. m (100,000 sq. ft) plus.
- 6.1.7 This is evidenced by a lack of take up, as well as by occupiers seeking to locate in alternative areas or remaining in sub-optimal accommodation. This is evidence that the I&L market is not currently operating efficiently which is impeding the local economy.
- 6.1.8 **The principle of allocation of the Subject Site is therefore fully supported and it is essential that this enables development of a range of unit sizes, in order to meet market demand.**

Contact

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Appendix A : I&L Sector Trends

A Resilient Sector

National Take-Up Exceeds Pre-Covid Average

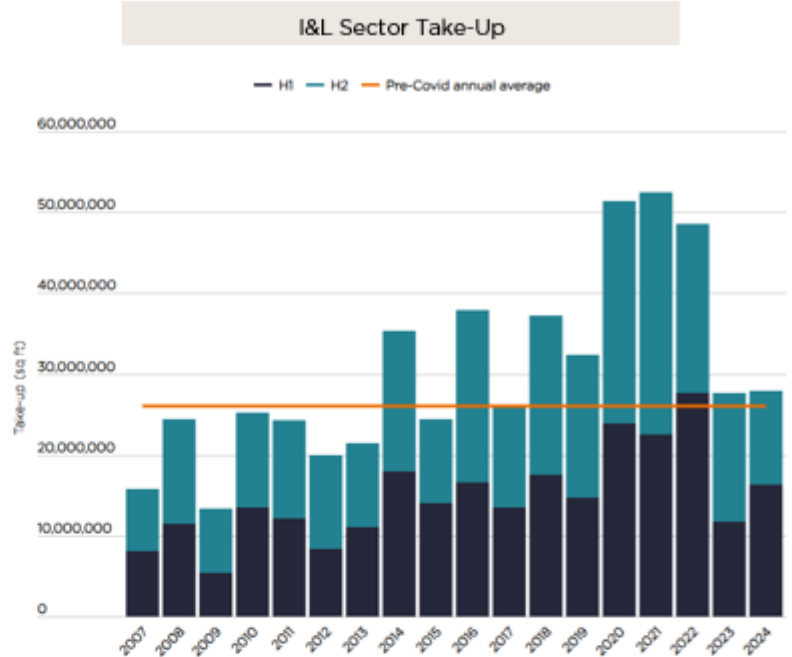
Savills January 2025 Big Shed Briefing found that at the national level overall, 2024 was the fifth best year ever for take-up, outside of the pandemic period, and in that long-term context is not a bad outcome given the wider economic and geopolitical situation. At a national level, take-up for 2024 has reached 27.97 million sq.ft (2.6 million sq.m) across 116 transactions, which is 8.0% above the pre-Covid average.

Demand for speculatively constructed units increased over the course of 2024, reaching 6.97 million sq.ft (648,000 sq.m), a rise of 27% when compared to 2023.

We are not observing any trend of occupiers trading down to poorer quality (and cheaper) units; indeed, quite the opposite is true, with 77% of the space transacted being for grade A units, up from 72% in 2023, and exceeding the pre-Covid average of 68%.

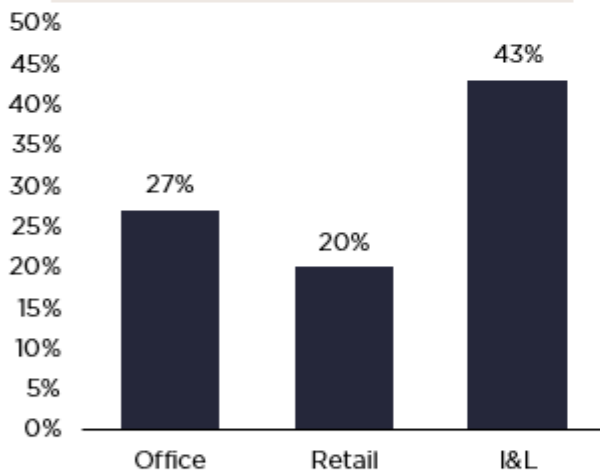
Manufacturing-related companies accounted for 32% of the market, the highest level since 2015, thereby giving further evidence to the near/re-shoring trend.

The fact that take-up remained above the pre-Covid average despite the macro-economic challenges, illustrates the resilience of the I&L sector and the strength of the underlying demand drivers.



Source: Savills Big Shed Briefing (January 2025)

Expected Productivity Increases (2021-2040)



Highest Expected Productivity Growth

Successive UK Governments have failed to address the productivity issues that have plagued the UK economy. In this regard, productivity growth within the I&L sector is predicted to grow at a faster pace (43% between 2021 and 2040), compared with other major commercial uses, which have much lower productivity growth. Office based employment is expected to see productivity growth of 27% between 2021 and 2040, with retail productivity only expected to grow by 20%. What this effectively means is that the value of outputs related to the I&L sector, relative to the cost of inputs, is estimated to grow faster than the rest of the UK economy.

As a result, wage growth and wider investment within the sector will also likely outpace the wider economy. However, the positive contribution that the I&L sector can make will be restricted if supply continues to fail to keep pace with demand.

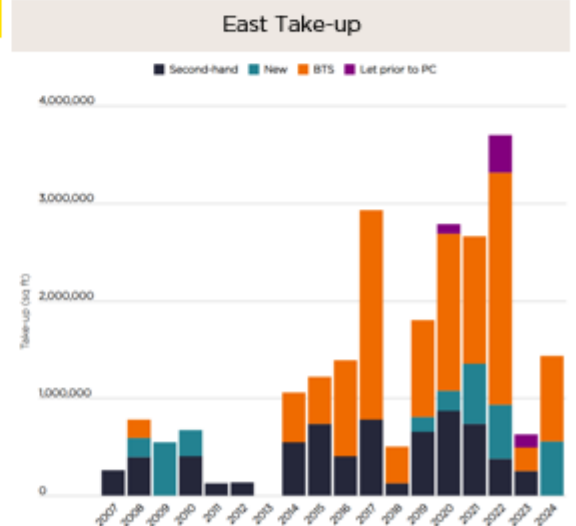
East of England Sees 129% Rise in Take-Up

The Savills Big Shed Briefing identified a strong rise in annual take-up across the East. Take-up reached 1.43 million sq.ft, marking an incredible 129% increase compared to the lows seen in 2023 and a 13% increase above the long-term annual average take-up figure of 1.25 million sq.ft.

The rise in take-up above the long-term annual average, despite recent macro-economic challenges, illustrates the resilience of the I&L sector and the strength of the underlying demand drivers.

In terms of specification, 0% of space transacted in 2024 was second-hand, 39% was newly built speculative development, and 61% was build-to-suit ('BTS') space. The long-term average typically sees 29% of space transacted as second-hand, 53% as BTS, and 18% as new speculative development. This demonstrates the shift towards new-build development and that occupiers are starting to disregard second-hand development due to the constraints they pose.

In 2024, 74% of demand has stemmed from manufacturing-related firms, 17% from third-party logistics firms, and 9% from food producers.



Source: Savills Big Shed Briefing (January 2025)

I&L Growth is Structural, Not Cyclical

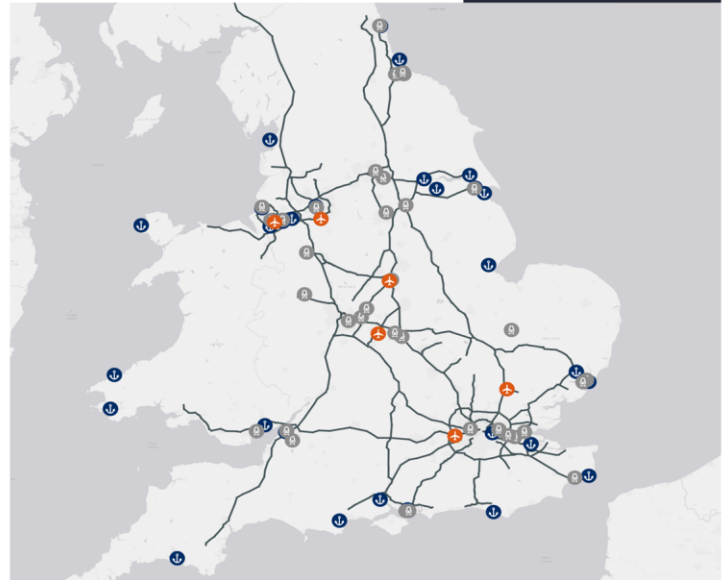
Significant Freight Infrastructure

Critical National Infrastructure

The past decade has seen the I&L sector undergo a remarkable transformation, reshaping operating models and occupier requirements. The sector is also 'critical national infrastructure' that supports the functioning of our economy and the way we live our lives.

The I&L sector enables the movements of goods across a multi-modal network of road, rail, air, and water routes. Most businesses draw on supply chains that rely upon these multiple modes of transport and on the transfer between freight nodes to warehouses, and then finally onto the end customer.

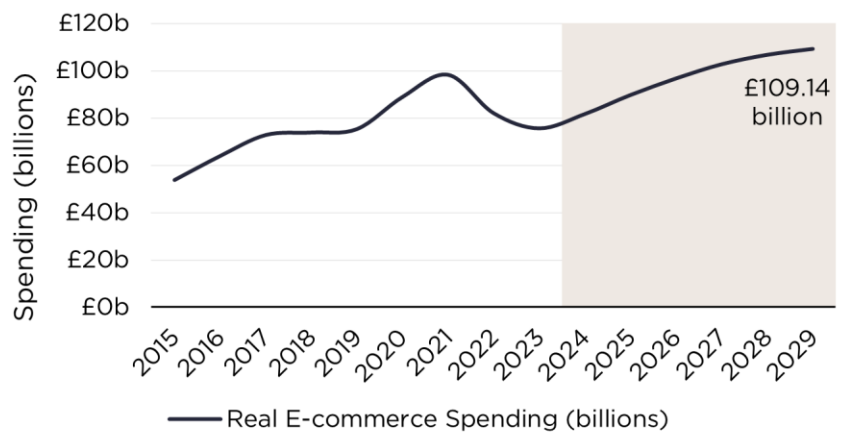
Without these facilities, the delivery of our purchases would be much slower, more expensive and we would have less choice.



The Rise of E-Commerce

E-commerce has grown substantially over the past decade, with the Covid-19 pandemic accelerating this trend. Statista, a respected source of online retail projections, estimate that inflation adjusted online retail will grow to £109 billion by 2029.

The growth in online shopping has significant implications on future I&L demand given that e-commerce requires around 3 times the logistics space of traditional bricks-and-mortar retailers (Prologis, 2016).



Source: ONS (Historic), Statista (Forecast)



0.8% Increase
CAGR (2025-2060)



1.0% Increase
CAGR (2019-2039)



2.6% Increase
CAGR (2024-2050)



1.5% Increase
CAGR (2024-2029)

Source: DfT, MDS Transmodal, Boeing, Savills

Global Freight Flows

Freight flows are another key driver of I&L floorspace demand. Significant growth is forecast across all freight modes. Freight arriving and leaving the UK needs to be sorted, packaged and distributed via a network of freight handling infrastructure (i.e. ports, airports, rail freight interchanges and motorways) and conveniently located I&L premises to reach end customers.

Protecting Supply Chains

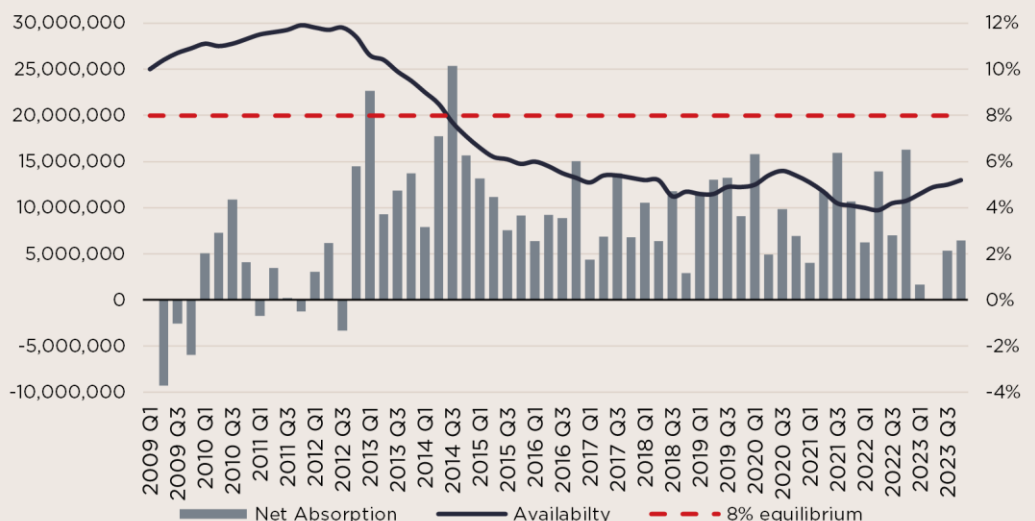
Recent geopolitical challenges have highlighted the UK's reliance on unpredictable international supply chains. As such, companies have started to re-shore and near-shore their operations closer to end customers in the UK to minimise future disruptions. This results in a net increase in demand for I&L units in the UK.

Real Estate Implications

Continued strong demand has meant availability has remained below the 8% equilibrium rate at the national level for much of the last decade.

When new development is built it is quickly occupied. The lack of available supply means demand is 'suppressed' as not all occupiers can find the space they need.

To eliminate this supply-demand imbalance, more development is needed at a rate above historic levels.



I&L GROWTH IS STRUCTURAL, NOT CYCLICAL

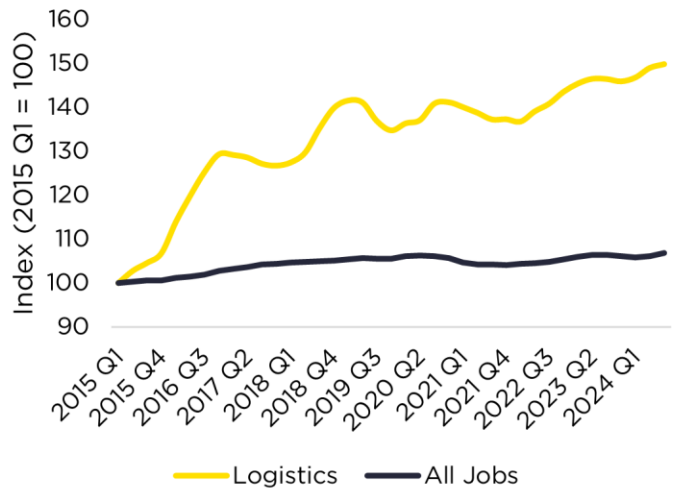
The I&L Sector Employs Many People in High Quality Jobs

It's the fastest growing sector of the economy

The logistics sector is the fastest growing segment of our economy, both, in recent years and over the long term.

Between 2015 Q1 and 2024 Q3 the number of jobs in the logistics sector grew by 49.9% in the East of England region compared to only 6.8% across the economy as a whole.

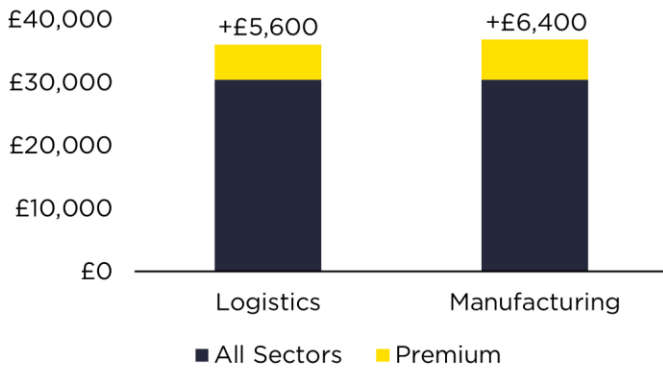
Logistics vs All Jobs Growth - East



Source: ONS Workforce Jobs by Industry

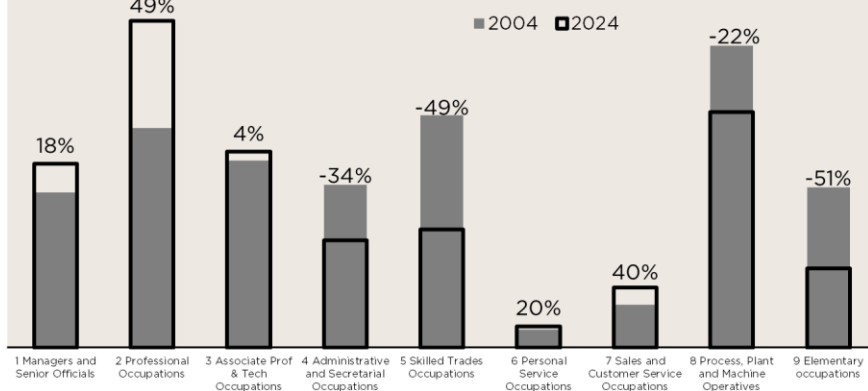
I&L Jobs Pay More than Average

Wage Premium of I&L Jobs - East



Notwithstanding its importance in terms of employment and GVA contribution, the I&L sector is subject to a number of misconceptions about average pay levels and skills. Compared to the All-Sector average, Logistics and Manufacturing sectors' annual median wages are +£5,600 per annum higher and +£6,400 per annum higher respectively in the East of England. In addition, entry-level jobs in logistics are relatively well-paid, with median annual pay being 47% higher than across jobs in the same occupational category (Frontier Economics, 2022).

Occupational Distribution in Logistics Sector - East



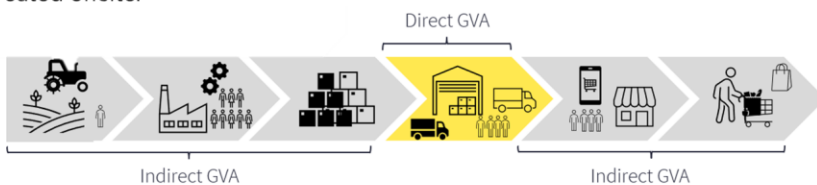
Source: ONS Annual Population Survey

It provides high quality jobs

The jobs offered within the sector are becoming higher skilled and more diverse. Within the Transportation and Storage industry, the highest skilled occupations (Groups 1-3) have increased by 28% between 2004 and 2024 in the East of England. These roles are associated with engineering and technological professions in response to automation and robotics and increased office collocation.

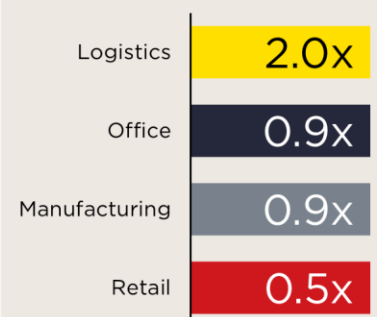
Economic Contribution is Much Larger Than On-Site Jobs

Common misconception about the I&L sector being a low-density employer, fails to recognise the wider role it plays in supporting jobs which are not physically within a warehouse but are enabled by its operations. For every 10 new warehousing jobs created onsite, another 7 to 12 jobs are created offsite.



The indirect GVA of logistics in the UK is 2.0 times the direct GVA, vastly greater than other sectors. This effectively measures the role it plays in supporting other business sectors and the economy more generally.

Indirect GVA Generation (compared to direct GVA)



Source: ONS Input Output Tables 2019

